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Mike Jones on Coney Island

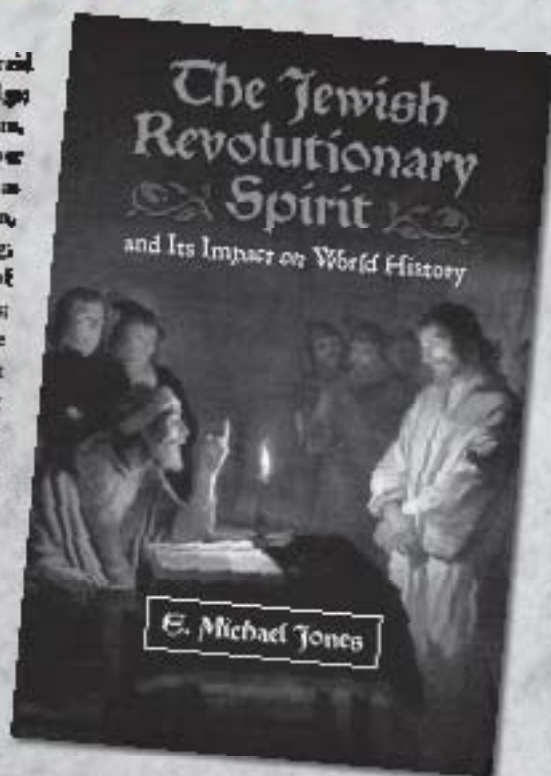
THE REVOLUTIONARY JEW

WOULD LIKE A WORD WITH YOU

If you are thirsting for truth, tired of political correctness, and unafraid to delve into what the rest of society sees as a forbidden area of knowledge; if you want to know the real story about Jewish culture, Jewish intellectualism, Jewish politics, and even Jewish chutzpah; if you are ready to take a sober and critical look at the revolutionary philosophy of Jewish icons such as Karl Marx, Sigmund Freud, Eric Fromm, Albert Einstein, Bob Dylan, Ann Landers, Abbey Hoffman, Alan Dershowitz, Steven Spielberg, Woody Allen, Abe Foxman, Irving Kristol, Ariel Sharon, and hundreds of other Jewish pillars of society who have become virtual household names; if you are ready to see the evidence for how and why Jews worldwide have orchestrated a subtle and sometimes not-so-subtle war against Christ, Christianity and the New Testament with their unrelenting quest to dominate modern society by imposing upon us their humanistic philosophy, then E. Michael Jones' book, *The Jewish Revolutionary Spirit*, will simply not allow you to stop turning its pages. I've read a lot of historical, political, and religious books in my lifetime, but this has got to be the very best upon which I've laid my eyes, mainly because it gives you the God's-honest truth, throwing caution to the wind in the face of ideologues who have made it known that they will brand any such penetration into Jewish culture with the show-stopping label of "anti-Semitism."

This book will give you the key to understanding our turbulent, godless, and agenda-driven modern civilization as no book before it has done, or shall we say, had the courage to do. As you pick your jaw up from off the floor watching Jones show you what has been going on behind-the-scenes, you will frequently hear yourself saying, "Oh, now I see it! It makes so much sense. Why didn't anyone ever tell me this before?" In a way, Jones' book is like a sequel to the Bible. About 85% of the Bible deals with the conflict between: (a) Jews and God, and (b) Jews and the rest of the world. Jones merely extends the description of the conflict beyond the words of Jesus and the pen of St. Paul, through the Middle Ages and landing right smack into the heart of the twentieth century. Jones, with the precision of a brain surgeon and the courage of David against Goliath, makes an indelible impression upon our minds as he adds two millennia of documented facts and figures onto St. Paul's final and sobering assessment of the Jews: "the Jews, who killed both the Lord Jesus and the prophets and persecuted us; they do not please God, and are opposed to everyone, trying to prevent us from speaking to the Gentiles that they may be saved, thus constantly filling up the measure of their sins" (1 Thessalonians 2:15-16). Jones will also show you the sad story of how Catholics and Protestants in high places have often caved in and even promoted Jewish humanism, sometimes from fear of being labeled "anti-semitic" and at other times from fanatical interpretations of St. John's Apocalypse. But Jones gives his own apocalyptic scenario. All his facts and figures are for the purpose of showing us that St. John's label of godless Jews as the "synagogue of Satan," the spirit of Antichrist, is not only alive and well today but has almost completely overwhelmed our modern society, thus serving as a public omen to the world that the Apocalypse has, in deed, come upon us, in full and furious force. You will do well to read this book and prepare for the worst and/or hope for the best.

Robert A. Sungenis, Ph.D.



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Culture Wars

"No social progress outside the moral order."



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LETTERS

OUR ONLY WEAPON

I am fascinated by the April 2013 edition detailing your stay in Iran. I was in Tehran some 60 plus years ago. Things were different. I was stationed near Munich as a member of a fighter wing. Our aircraft were P-47s. After the airlift ended these machines, which had served the purpose of escorting cargo aircraft into Berlin in case Ivan decided to close the air corridors, became surplus. A decision came from above that they would be disposed of as a gift to the Iranian Airforce. I was merely an aircraft driver and never saw things from above, only from below, where the rubber hits the road. Since the P-47 has limited range, we flew to Iran in short hops. Munich to Rome to Athens to Cypress to Bagdad and delivery in Tehran, with a warning from above to avoid Damascus--no reason given, just don't do it. It seemed we were welcomed everywhere we went. Probably due to the prestige earned by the real heroes of WWII, the foot soldiers.

We were treated royally in Tehran as special guests. It was my first and only exposure to unlimited caviar. We were wined and dined at the embassy. I am amazed that we have spent all of our prestige capital, which extended to South Korea after the war and before the roads were paved, and in Japan after MacArthur left and the Japanese recovered from the devastation. We even had a base in Tripoli, which gave us access to the aerial gunnery range just north of the Libyan coast. I am amazed at how the world has changed, and seemingly without a transition period.

Now we are hated everywhere. What happened? I fear greatly the path our nation seems to be following. I can see a gigantic train wreck ahead, with no power to avoid it. We are killing babies before during and after birth. Then we select the best of the survivors and send them to fight useless battles with no hope of any gain. Now we are putting women in combat situations. I'm certain that our enemies are shaking in their boots (licking their chops) when our Amazons come charging out of the trenches. I view Washington as a walled city where we send out representatives to become lotus eaters; I am pleased to see the editor holding aloft our only weapon.

R. Whiteley
YELETIHW@MSN.COM

ABSOLUTELY RIVETING

I've just finished reading *Cultural Jihad in Iran*. I found this absolutely riveting. I'm glad to hear the Iranians received your ideas on the Sexual Revolution with sympathetic understanding, although I was somewhat taken aback to hear that the discreetly veiled ladies you met recoiled from you in horror when you politely offered to shake their hands! This amusing bagatelle only highlights the vast social divide between our respective cultures.

"How is this cultural divide to be bridged?" I ask myself, given that I firmly believe that it is in the interests of both Christians and Muslims to unite against the common enemy: the Zionists and their sycophantic supporters. In a recent email to me you wrote that your goal "was not to resolve the differences between Islam and Catholi-

cism", but to forge an alliance between Muslims and Catholics "in a cultural jihad against the Great Satan/American-Jewish empire." Well, that's what I'd like to see also.

Allow me to point out respectfully, however, that you are unlikely to achieve this second goal of amicable collaboration between Muslims and Christians unless you also direct your attention to the *first* goal: the resolution of some of "the differences between Islam and Catholicism."

If in your talks with the Iranians you managed to give the impression that you thought Christianity a *superior* religion to Islam, this would almost certainly have incurred their displeasure. Their memories of what we colonial oppressors did to them in the past, first the Brits and then the Americans—virtually stealing their oil and imposing a hated dictator on them—are bound to make them very suspicious of Western emissaries offering kindly advice and cultural gifts, including the boon of Christianity. *Timeo Danaos et dona ferentes*.

After all, if "Aristotle is not needed," to quote one of the imams who discussed theology with you, and if *sola scriptura*—the words of the Qur'an alone—are sufficient for salvation, it follows that Christianity is not necessary either. To them, at any rate. Your comment about the Muslim burning of the great Library at Alexandria was, to say the least, ill-advised, if not tactless. Maybe you ought to have taken more care to distinguish between Shi'a and Sunni Islam and not ascribed to the former sect crimes committed by the latter.

Having spent my formative years

in the East and contemplated converting to Islam at one stage, I can put myself into Muslim shoes all the more easily and view the world from their standpoint. If I were a typical Muslim, judging Christianity purely by Christian *behavior*, I don't think I would wish to forge an alliance with the practitioners of a religion who seldom practice what they preach. How it is that we nominally Christian countries have surrendered so easily to sexual decadence? In striking contrast, look how well the Islamic countries have combated the corrupting influence of Jewish Hollywood. The top ten countries most opposed to pornography all happen to be Islamic countries: Saudi Arabia, Iran, Syria, Bahrain, Egypt, UAE, Kuwait, Malaysia, Indonesia, and Singapore. That is significant. If I were a devout Muslim determined to resist the temptations of the flesh, I would say to myself, "I am better off with Islam than with Christianity."

Ponder this point also: Hasn't the Vatican now done a *volte-face* on the Jews, exculpating them of the crime of deicide after centuries of blame? Have we apologized to Muslims for the Crusades? I don't think so. Have we expressed regret that Dante, whom we venerate so highly, put the prophet Mohammad in the eighth circle of hell? No, we haven't. Why the double standards? Why do we grovel to the Jews and offer the Muslims condescending sermons? Sixty million Christian Zionists actually believe that hell is where Mohammad belongs. How is any alliance between Christians and Muslims possible when we Christians carry this ugly albatross round our necks—sixty million Christian Zionists in

America foolishly acting as cheerleaders for the state of Israel?

Consider America today, firmly under the hegemony of Zionists who subscribe to the Machiavellian philosophy of Leo Strauss who said: "The perpetual deception of the citizens by those in power is critical because they need to be led, and they need strong rulers to tell them what's good for them." God help any country that needs to be told what is good for them by a brood of political vipers who advocate the Big Lie.

My conclusion? We have nothing to offer the Iranians, because we are the lepers. Iran would be well-advised to keep a safe distance from our sex-crazed, Jew-sickened society.

Lasha Darkmoon

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THE GOSPEL OF SID VICIOUS

Lest my article generate confusion, I would like to clear up some misconceptions that it may have engendered. First of all, I *do* believe that Catholicism is superior to Islam. If I did not believe this, I would become a Muslim. Secondly, this belief is not a barrier to an alliance against the Great Satan, but rather its necessary condition.

To explain this further, let me propose a thought experiment. Suppose I had converted to Islam, as other Americans and Europeans have. Islam would have gained one

Culture Wars welcomes letters to the editor. Preference will be given to letters which deal with topics discussed in the magazine. Letters should ideally be limited to one single-spaced page, but we know how difficult it is to follow ideals in this world. Letters can be sent by mail to Culture Wars, 206 Marquette Ave., South Bend, IN 46617; by fax to 219-289-1461; or by electronic mail to Jones@culturewars.com.



convert, but no alliance between believers. What I am proposing is an alliance of believers against the Zionist-American Great Satan. That way instead of getting one insignificant convert, Iran gets one billion potential allies.

Beyond that, there are no nominally Christian countries. We have post-Christian countries led by Masonic elites who propose the Gospel of Sid Vicious as a way of keeping the proles in line. That this strategy may backfire and create followers of Islam instead is a distinct possibility and one that I broached in my article. The validity of the claim that “we” have nothing to offer the Iranians depends on the meaning of the word “we.” If by “we,” Miss Darkmoon means followers of the Gospel of Sid Vicious, then I would have to agree. If by “we,” she means the world’s one billion Catholics, then I would have to demur.

E. Michael Jones
South Bend, Indiana

GROUNDBREAKING ARTICLE

Your groundbreaking article, “Culture Jihad in Tehran,” points out that Shiites have a spiritual authority (“guardian or archon”) who can pass on contested questions. Since you are on good terms with such authorities, here is a serious question that I ask you to put before them. This does not require resolution of the faith vs reason problem, since evidence will be in the Quran. I myself have standing, since my family and I led local efforts to support the Afghan Resistance to the Soviet Union, starting from the week of the invasion.

An Iraqi Shiite leader, Ahmad Al

Baghdadi, is reported to have called last December 13 for the rape of Christian women (“their women and girls may legitimately be regarded wives of Muslims.”) References: “Shiite ayatollah launches fatwa: Iraqi Christians, conversion to Islam or death,” AsiaNews.it 12/15/2012 IRAQ - VATICAN by Joseph Mahmoud, <http://www.asianews.it/index.php?l=en&art=26636&sendtofriend=9319> and “Grand Ayatollah Declares All Christian Women May be Raped,” Front-page Mag December 18, 2012 By Daniel Greenfield, <http://front-pagemag.com/2012/dgreenfield/grand-ayatollah-declares-all-christian-women-may-be-raped/>

Though at least the second reference may be biased, there was corroboration from an Iraqi Christian refugee who spoke to my daughter. When he refused to let a powerful Iraqi Muslim “marry” his daughter, and sent his children out of the country, he was tortured for six days (one tooth pulled per day) until he too managed to escape.

Therefore my question to the Shiite authorities is: Based on the Quran, would the rape of Mary, the mother of Jesus, have been an admirable or (as I believe) blasphemous deed? If the latter, then should not the call to action attributed to Al Baghdadi be condemned as blasphemous and Satanic?

On unrelated points: Your call for love rather than fear, in opposition to the culture, was anticipated in the admirable 1996 book *Ecumenical Jihad* (by the Catholic Peter Kreeft). And Pope Francis is moving ever closer to your call for the revival of Vix Pervenit. See “Francis’ Address to New Ambassadors,” Zenit Daily Dispatch, May 16, 2013, where he condemns the

world financial system in pertinent detail.

Lawrence J. Dickson
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SAD AND TELLING

I do not need to pass this question on to a religious authority. It is a sad and telling statement of the nature of our times that a) such a question would even be asked, and b) that you would feel a need for clarification from a religious authority on this matter. But I am glad indeed that the question was asked, because not asking such a question would mean that such monstrous doubts would linger, which of course is worse.

I say it is sad in the sense that you would, no doubt, feel very saddened if I or anyone else here were to put a question to you to the effect that I have heard tell that the rape of Moslem women is allowed by the US Constitution or by the Magisterium of the Catholic Church; is this true? This question, were it to have been posed in sincerity by a Moslem, would be very sad indeed, in so far as it would demonstrate clearly the vast depths of ignorance of the Constitution and the tenets of the Magesterium in which the mind of the poser of the question abides. So it is sad in that sense, and is indicative of the tremendous need for a true inter-religious dialogue, i.e., one that is anti-ecumenical, yet provides for respect, and indeed views ecumenicism as a deep form of disrespect, albeit a subtle one.

The answer to the question is that according to *feqaahat* (the Shi’a tradition of learned scholarship, interpretation of scripture and deri-

vation of law), Christian minorities have the right to live in peace, unmolested, among Moslems, as a minority. There are certain things which Christians must do (such as wear proper attire, including head dress, when in public), and certain things that they cannot do (such as drink alcohol in public; they can do so in private or in Christian clubs and the like). This is no different than restrictions placed on Moslems in the West, as in, say, the restriction on the number of women a Moslem man living in the West can marry, etc.

It is the height of absurdity to suggest that a Christian can be raped with impunity in Moslem lands. If some knave has indeed said this, he is most probably on a Wahhabi payroll whose purpose it is to discredit the Shi'a, or is some other agent, such as that of Uncle Weasel or his Jewish taskmasters in the Mossad, or has some other anti-Shi'a agenda, or is simply depraved. I am working on making available a database of books in English which have the true teachings of the Shi'a (which is the original Islam, although it, too, has been to some extent corrupted...). I have so far gathered over 800 pdf files of books that have been translated into English. Unfortunately, the translations are almost invariably poor, and even in the rare instances where they are acceptable or even good, what I call the "cognitive syntax" is still eastern, which means that the concepts conveyed in them are not conducive to conveyance and transference to a Western language by direct translation; what is required is paraphrasing... Anyway, I will make the link of the website available to you when it is up and running (you will be able

to download all files or each file individually when it is up and running).

Arash Darya-Bandari
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GOD AND LOGOS

In the May issue of *Culture Wars*, Dr. Jones in his summation of his comments on Robert Reilly's book, "Changing of the Moslem Mind" states: "Reilly sees an intellectual symmetry in the current geopolitical situation, in which the divorce of reason from faith which has led to the current crisis of Islam." And both the censorship of God and Logos from education is the censorship of Truth from both the West and from the Moslem mind, have lead to catastrophe in both the West and in the Moslem world. If there is no "spiritual reason, no Logos, and no God, who is Truth in both Western education and Moslem education," then neither truth nor reason can exist in either Modernism or in the Muslim mind. God is both Truth and Logos in reasoning, logic and Natural Law. If God is censored from reasoning and logic then Truth does not exist in either the Modernism of the West or in Muslimism of the East. Then neither reason nor truth can exist in either. For Modernism all evolution occurs by chance. For Muslims all evolution occurs by the WILL of God, all without reason. But for Christianity, Mike Jones, Bob Conlon and Saint Pope Pius X, all acts in the universe occur by reason and none by chance.

Robert J Conlon
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WITNESSING

Thank you for your article on Iran and for going there and witnessing for Jesus and His church. As you know, my husband and I have lived in Muslim countries for years and at present are in one. So years back in Saudi Arabia, we had a Pakistan taxi driver, who took the women from the compound where we lived to the supermarkets and shopping malls. He was taken into police custody four times and questioned about why he waited in the parking lot, suspicious that he was watching women. He explained that he had to wait for his passengers to drive them back home. After literally hours of interrogations they released him each time. Mr. Jafnee (name changed) was in Saudi to finance the dowries of his sisters and cousins. He was there for many years and had one cousin to go before he could return to his fish farm in Pakistan, which he explained, God had given him during a storm, when a nearby river had flooded over into a valley on a piece of land he owned and created a fish farm.

Anyway purity and modesty are issues taken seriously in Muslim countries even if not quite as extreme as Saudi. The two brothers, at the recent Marathon bombings in Boston, saw women in jogging suits (little more than underwear) running with men, being watched by men. These brothers were taught that God likes modesty and that temptations to immorality are abominations and should be eradicated and punished. Our US newscasters seemed puzzled about why the brothers couldn't just enter into the fun of the day; runners enjoying themselves.

Blowing people up, killing and maiming is a hellish reaction. These people don't know Christ and their offerings to Allah are sometimes atrocities of wretched violence, tragedy and pain. They are unbaptized pagans who we must pray for. But they are seekers though and in every remote gas station there are prayer rooms. Prayer is on land speakers in Saudi five times a day. The stores close there for prayer. Day and night people stop their cars on the side of the highways, take out their prayer mats and prayer under the open sky.

A morally degenerate and clouded culture exists here. The solution is Christ and His church. We must pray for the conversion of us all. Go out there and teach and preach Dr. Jones. Bravo. Thank you. God Bless you,

An American
Catholic Woman

INSPIRING

Your appearance in Tehran is inspiring.

Richard Lucey
Caledonia, Michigan

LOVED

Loved the Tehran article.

Margret F. Campbell
Scranton, Pennsylvania

EQUATION?

You now equate the muslim prayer beads with Our Lady's rosary?!

Gerald Foy
Stockton, California

VERY INTERESTED

I'm very interested in Jeremy Neese's letter in the May issue of *Culture Wars*, regarding the last Catholic king of Great Britain the much maligned James II & VII. Enclosed pages 298-305 from late Meriol Trevor's 1988 Biography of the king entitled: *Shadow of A Crown: The Life story of James II of England and VII of Scotland*. I recommend this book alas out of print but sometimes available on the internet which is how a priest cousin of mine got me a copy in November 2012. It's worth obtaining and reading more than once.

I would also recommend the following: *Winston Churchill and James II of England* by Malcolm V. Hay (London 1934) and *King James the Last* by Jane Lane (London: Andrew Dakers limited 1942) A great, good book of learning wisdom well worth reading anytime. All her books are worth reading whether they be biographical and historical works of her many fine historical novels mostly on The House of Stuart. Another book I recommend is the historical novel *James By the Grace of God* by the late Hugh Ross Williamson (Chicago, H. Regency Co., 1956).

I hope Mr. Neese will further his readings and research The Catholic Stuarts are worth the time and there are a few good titles out there in internet circles, old bookstores and in larger public libraries.

James Madden
Howell, New Jersey

IMPLACABLE ENEMIES OF NOMINALISM

Was most fascinated by Mike Jones' article "Culture Jihad in Tehran but first a preliminary observation.

In the Middle Ages Nominalism, that intellectual and spiritual toxin, was rightly considered a heresy. However, first the Protestant Deformation and later the Scientific Revolution embraced Nominalism, partly out of anti-Catholic bias, something which continues today, though Alfred North Whitehead, Charles Peirce and Edmund Husserl, among others, have denounced Nominalism.

In the 12th century the Crusader Archbishop William of Tyre praised Ali ibn Abi Talib, the 1st Shi'a Imam, and noted; "The Shia is not so far from the true Christian Faith as is the Sunnah." Much later, St. John of the Cross was not only influenced by Sufism, but also by the Shi'a Imams. William of Tyre and St. John of the Cross were not poisoned by Nominalism. I declare my rejection of Nominalism by this dose paraphrase of a Spanish proverb: "I do not care a cumin seed for names and labels, but only for meaning and substance."

Let it be noted that the great Persian Shi'a thinkers, such as Suhrawardi, Haidar Amoli (whose slogan was "Shi'ism is Sufism: Sufism is Shi'ism") as well as the great Shi'a thinkers of Safavi Persia, most notably Mir Damad and Mullah Sadra, were the most implacable enemies of Nominalism.

An essay of mine titled "Affinities Between Catholicism and Shi'ism" appeared in the very prestigious *International Journal of Shi'i Studies*,

a joint publication of State University of New York and Brigham Young University. Said essay is long enough, sixty pages, to be a small book in its own right. It was “cherry picked” from various writings of mine by Professor Parviz Morewedge of State University of New York. The title given to my essay by Professor Morewedge is not really accurate, since it deals with Eastern Orthodoxy as well as Catholicism. In said essay, I emphasize that Spanish Catholicism and Russian Orthodoxy have particular characteristics which give them affinities with Shi’ism above and beyond the general Catholic-Shi’a affinities and the general Eastern Orthodox-Shi’a affinities. In a personal communication, the great Iranian Shi’a scholar Seyyed Hossein Nasr told me: “You are completely right in emphasizing the unique rapport between Shi’ism and Sufism on the one hand and certain elements of Spanish Catholicism and Russian Orthodoxy on the other.”

In 2010 a book of which I am the author was published by Ansariyan Publications of Qom, Iran. The book is very large, consisting of two large volumes. The title which I gave my book was: *Persian Traditions in Spain*, but the publisher added a baroque complication, so the title now is: *Persian Traditions and the Influence of Shiism in Spain*. Said book, after a slow start, is now available on Amazon. Also on the Internet appeared a photo of the cover of my book and some misspelled English words which say: “Mysticism in Spain,” which is the main topic of Chapter 7. There follows a long essay or review, in Persian.

Said book has earned the ap-

proval of Harvard College and the University of Chicago, and has earned the title of Research Fellow of Global Scholarly Publications as well as inclosure in both Marquis *Who’s Who in America* and Marquis *Who’s Who in the World*.

My book deals with so many topics that there is no space here to begin to deal with it. My book has earned kudos from Iranian Shi’a Mullahs, as well as Russian Orthodox priests, and Chapter 7 earned me a letter of thanks and congratulations from Pope John Paul II.

If Mike Jones saw a copy of my book in Iran, or heard my name mentioned there, I do not know. But then, I am not a film buff, and so it is hardly a surprise that I was not invited to the conference which Mike Jones attended. Except for a brief mention of Mel Gibson’s film *The Passion of the Christ*, films are not mentioned in my book. The publisher seems confident that a second edition of my book will someday be published. If and when this happens, it will be in a version so revised and expanded as to be almost a different book.

The fact that Spanish Catholicism has so many special affinities with Sufism and Shi’ism, especially Iranian Shi’ism, is easily explained by historical circumstances; in Spain, since Catholicism and Islam coexisted in Spain for very nearly 900 years, and in spite of often very unfavorable political conditions, Shi’ism, for ethnic and cultural reasons had a special appeal for the Hispano-Muslim population. Don Alfonso de Bourbon, Prince of Conde believes that the majority of the population of Muslim Spain was composed of Shi’as. For reasons which are made clear

in my book, it is very difficult to be certain about this one way or the other. That Russian Orthodoxy should have so many special affinities with Sufism and Shi’ism is not so easily explained. In any case, if there ever was a place where Catholicism and Shi’ism were - and to a great extent are - intertwined, it would be Spain.

In any case, congratulations to Mike Jones for freeing himself from the intellectual and spiritual toxin of Nominalism.

Michael McClain
Middletown, Ohio

TWO-HEADED MONSTER

Readers of your magazine are well aware that United States politics are the domain of a monster called the Two-Party System. This monster has several heads, but only the two biggest ones really matter. These two biggest heads are the Democratic Party and the Republican Party. These two heads give anyone who approaches the polls the “choice” of being devoured from the left side or from the right side. Most anti-abortion voters, probably including yourself, once believed that the best way to deal with the Two-Party monster was to turn one of its big heads against the other--in other words, to vote for Republicans as the lesser evil, or rather to vote against Democrats as the greater evil (which as a practical matter requires voting for Republicans). I know enough about the social teachings of the Catholic Church to know that no Catholic can belong to the Republican Party

continued on p. 29.

Culture of Death Watch



The Birth of our Era

Doubtless folks who've read and been influenced by the magazines *Fidelity* and *Culture Wars* reached the millions many years ago, but when the estimable Dr. Jones launched the first of these in 1981 few expected it to become what honest folk, for all the caveats, have long recognized as the most intellectually aggressive and adventurous periodical the U.S. has produced in our lifetime.

The story behind Jones founding *Fidelity* after being fired for upholding basic Catholic teaching at a college pretending to be Catholic has been told enough times to pass over it here, but considering the magazines' impact, it might be worthwhile to look back at the social and ecclesial atmosphere in that 1981 year when he did so.

The mass apostasy of the clergy

from believing the Catholic Faith, much less upholding it, was still then in full throat (if you will forgive the expression) with very few exceptions, and the denigration, by their brother bishops, of the handful--Cardinal O'Boyle in DC and Bishop Sullivan in Baton Rouge come immediately to mind--who had sought publicly to resist the apostasy quite effectively taught such prelates who did still hold the Faith not just to keep quiet, but to get with the program.

Alas, as numerous articles in *Fidelity* and elsewhere would reveal, the program had been devised by not very covert and often openly professed enemies of the Faith who had managed to conquer vast swathes of what had formerly been Catholic institutions, and thus it proved that not only the apostates,

but, with a few rare exceptions, the American episcopacy as a whole dutifully adapted to the consequent assault on virtually every aspect of both Catholic practice and faith. The bishops had adapted so well, in fact, that, when confronted with the unspeakable depravity of a priest raping children, they had lost all grasp not just of minimal, but even a criminal's decency.

They had become so used to pretending not to know what they knew or to see what they saw, that this horror too, like all the others, was but a matter once more of betraying and deceiving those they had been ordained to defend, in deference to a demonism that, with hardly a pretense, demanded unleashing predators to attack the Body of Christ generally, and this time literally those of His children,

and to do so again, and again, and yet again. And recall this refers to the arguably believing bishops, not the possible majority that took delight in the desecration of the Faith they had fled.

Even so, one suspects not even Mike Jones knew the extent of the degeneracy when Paul VI's reign came to an end in 1978. Nonetheless by then there was something close to a direct parallel in the U.S. and elsewhere with the Arian heresy of the 4th century, when a weak Pope had cowered before the entire political apparatus of a Roman Empire that had been joined by all but a handful of that period's episcopacy in repudiating the divinity of Christ. As Bl. John Newman points out in his magisterial treatment of the matter (2), it was, with the eminently notable exception of St. Athanasius and a few other bishops, nearly exclusively the laity who both held to and fought for the Faith in that era, just as they have in our own, albeit supported in ours by many heroic priests like Fr. Paul Marx and such sterling episcopal exceptions as Bishops Vaughan, Lynch, Bruskewitz, and, as in Athanasius's time, doubtless some few more.

By 1981, when *Fidelity* was launched, however, three events had in the interim dramatically altered the 4th century analogy, two of which by producing what everyone from all spectrums believed to be both potent political and ecclesial support that suddenly empowered the lay Catholic faithful; for with elevation of Karol Wojtyla to the See of Peter in 1978 and the election of Ronald Reagan to head the U.S. government as president in late 1980, there was a growing hope in the air for something

rather more than mere necessary reform, but of restoration. To be sure the rapid corruption of both the Church and western society had been overwhelming and extensive, as all could see, but as it had only just happened, overnight as it were, there was cause to believe it but an aberration, and so yet open to remedy.

1981

In '81, after all, not two decades had passed since the convening of the Vatican ecumenical Council, not to say its end, so despite such criticism as engendered by its verbosity, ambiguities, general mood and what appeared to be its manifest failure, the vast majority of believing lay Catholics could and did still hope it might yet bear fruit. Papa Wojtyla's stunning elevation, the first non-Italian in nearly five

Further reason for hope the new Pope John-Paul II could restore to the Church what had only so recently been destroyed was that he had arisen not from the ecclesial confines of the increasingly depraved church structures of the U.S. and western Europe, but from those in Poland which, even before the Solidarity union movement there, had shown the world how to resist institutional tyranny. They showed it once more when virtually the entire population turned out in May 1979 both to welcome Wojtyla's first Papal visit to the homeland, and to reveal where the nation's real sovereignty was to be found.

The third event, if hardly understood at the time, and perhaps not wholly coincidentally as Dr. Jones has intimated, took place almost exactly between Wojtyla's elevation to the papacy and his

one suspects not even Mike Jones knew the extent of the degeneracy when Paul VI's reign came to an end in 1978.

centuries, gave particular force to that hope, for though a priest and bishop and now pope, he was also an actor, thinker, poet and playwright--in Walker Percy's phrase, "a whole man, a mensch (3)"--as well as an athlete whose vigor had with no mean success fought both Nazis and Commies. The pope would bring about the excision of the latter effectively from the pages of history, or at least from its old power centers and economic pretensions.

first triumphant return to Poland seven months later; for it was in February '79 after Persia arose to drive out the Shah that the Imam Ruhollah Mostafavi Khomeini returned to Iran after a 14-year exile, completely flummoxed the West's machinations for an accommodating replacement, immediately drove Planned Parenthood out of the country, and reintroduced Islam into history. It would prove a reintroduction that, so far and in



the foreseeable future, would define the central geopolitics of the 21st century.

1979

As of 1979, Leonid Brezhnev, Communism and the Soviet Union, fresh from their recent triumphs in Vietnam, Angola and elsewhere, seemed to have reached an historically unprecedented apex of geopolitical power. Few recognized at the time that Communism along with the Soviet Union would effectually be wiped from the pages of history in little more than a decade, and so it is perhaps understandable that arguably still fewer grasped the immense historical impact of Khomeini's revolution, even after the hostage crisis began later that year that would end the Carter presidency and by other means would later still almost bring down Reagan's. In September 1980 Lech Walesa and the Solidarity union that would unravel the Soviet Union burst onto the world's consciousness, just as the U.S. presidential campaign about to elect Reagan in November

launched into full bore. Reagan's victory was far more substantial than people likely remember. With a platform and campaign that, unapologetic and not evidently disingenuous, sought 14th Amendment protection for the unborn as legal persons, Reagan openly struggled for orthodox Catholic and Evangelical Protestant support, got it, and not only ousted an incumbent with a landslide victory that won 44 of 50 states, his at least formally pro-life party won back the United States Senate for the first time in nearly three decades, and it did so by dethroning not one or two, but numerous virtual American institutions who had been in the Senate since roughly forever--all pro-abortion, including three serious former presidential candidates.

Younger *CW* readers will hardly remember these names, but to get some idea of the mood leading up to the founding of *Fidelity* a quick look at the stunning defeats might be of service: George McGovern, the '72 party standard bearer, Birch Bayh, another serious prez contender, and Gaylord Nelson had all first been elected in 1962;

Frank Church, first elected in '56, had also made a serious presidential run, and so entered and left the Senate the same years as Georgia institution Herman Talmadge, who, like his father before him, had been governor of the state before moving on to the Senate, and, perhaps no less amazing, Warren Magnuson too went down, having first been elected a Senator in 1944 during World War II.

In addition, proabortion Jewish Republican Jacob Javits ('56) had been astonishingly upset in the September GOP primary by Catholic antiabort Al D'Amato, who then, in New York, went on to defeat Jewish proabort Watergate heroine Elizabeth Holtzman. And Jeremiah Denton, though known to be devout, became the first Catholic ever elected to the Senate from Alabama, and the first Republican there since Reconstruction. And all this, of course, skips over the many lesser lights that were sent or kept home.

Such was the dramatic political atmosphere that along with an equally dramatic Polish Pope gave Catholics reason to think a restoration not only possible, but possibly at hand. For if prominent politicians could be retired, why not decadent bishops? If the mass murder of abortion could be reversed, why not the apostate bureaucracy? The hope was further enhanced at Reagan's January '81 inauguration when, just as the hostages were flying home from their release that day in Persia by Khomeini, the new U.S. president upon taking the oath of office appositely chose the passage from Chronicles 7.14 in his mother's old Bible that reads: "If my people who are called by my name, humble themselves and pray

and seek my face and turn from their wicked ways, then I will hear from heaven and will forgive their sins and heal their land.”

Later that year, in pursuit of that goal, a comparable verse from Nehemiah 2:17 appeared on the masthead of a new magazine, and read: “You see the trouble we are in: Jerusalem is in ruins, its gates have been burnt down. Come, let us rebuild the walls of Jerusalem and suffer this indignity no longer.” *Fidelity* magazine too, had entered history.

The paucity of serious Catholic periodicals in the American market when Mike Jones launched his quixotic adventure might well be described as appalling. A great majority of once Catholic diocesan papers had come under the control of the apostates, were openly hostile to the new Pope, promoted birth control, liturgical profanation, a vestal priesthood, defended divorce

glories of fecal bonking, and were enthusiastic over each and every neo-Arian mania, not excluding much brow furrowing over whether a Nazarene carpenter could really be considered, you know, divine. Their one tolerable feature was how uniformly dull they all were, which they shared with those few diocesan papers still struggling not to be openly hostile to the Faith, or at least not regularly.

CATHOLIC PUBLICATIONS

Of the national publications that come to mind, *Our Sunday Visitor* was certainly dull and often deferential to the apostates, though it continued at least occasionally to show interest in some things genuinely Catholic. *The National . . . Reporter*, a weekly which also called itself *The National Catholic Reporter* in express defiance of being forbidden this public perjury by

various diocesan adventures than any other comparable publication: places, one may speculate, where the priest abuse stories which Jason Berry, following Jones in *Fidelity* and revelations in *The Wanderer*, later exposed on the *Reporter*'s more prominent pages, were often little more than pederast breeding grounds. Concurrently, religious order publications such as the *St. Anthony Messenger*, the Jesuit's *America*, and *U.S. Catholic* followed the example of the *Reporter*, maintaining but the thinnest facade of pieties, and that clearly only better to promote the perversities.

The *National Review* back then, before Rich Lowry made it into little more than neocon *carta igenica*, showed (reserved) interest in Catholic matters and published genuinely Catholic thinkers, most particularly Joe Sobran, and although it produced Jim McFadden's lively and effective newsletters *Lifeletter* and *The Catholic Eye*, as well as his interesting and scholarly *Human Life Review*, Culture Wars (4) later revealed the mechanics of *NR*'s real loyalties, or anyhow its real masters, while William Buckley's contemporaries with Sobran and Pat Buchanan at the end of the Cold War had already revealed their power.

In that regard, the magazine *Catholicism in Crisis*, later just *Crisis* (now only online), was founded shortly after *Fidelity* by Michael Novak and Ralph McInerny. *Crisis* displayed a veneer of aggressive Catholicism that was much thicker; yet, as we all now know, it just as clearly had masters with quite different interests, to which matters Catholic were always subordinate when not simply dismissed. Meanwhile, the often engaging *New Oxford Review* called itself high

In 1979, Communism seemed to have reached an historically unprecedented apex of geopolitical power, but few recognized that it would effectually be wiped from the pages of history in little more than a decade.

and sacrilegious communion, laughed at Confession, indeed at the idea of sin, opposed all effective opposition to abortion, regularly featured such luminaries as Richard McBrien and comparable minions, wondered about the potential

numerous bishops including those in the diocese where it published, was openly and viciously hostile to the Faith, and by all sides recognized as the flagship apostate voice. For this reason, of course, it had many more pages of classifieds for retreats, vocation exploration, and



Anglican at this point, later Catholic, but since and even before its conversion always fought seriously for the Faith, and not least with its wonderfully infamous subscription promotions.

Valuable publications like *Latin Mass* and *30 Days* had yet to form, and *The Remnant* seemed negligible in those days. Michael Davies, who was once bested on points by *Fidelity's* intrepid (if on liturgical matters still misguided) editor in a debate, now seems, certainly in the English speaking world, as important as any in the immediate and in consequence long term post Council era.

Finally, and not least, were the two most prominent national Catholic publications, both weeklies, *The National Catholic Register* and *The Wanderer*. Before the Mexican pervert Maciel's operation bought the paper a decade and then transferred it to Mother Angelica's people, the *Register* was run by the very Catholic southern California Frawley family who, if perhaps freer than Buckley or No-

vak chose to be, were not impossibly subject to popular pressures of which they, like so many, were not wholly aware. Nonetheless, while striving to be responsible, by which they meant unlike *The Wanderer*, they often produced excellent commentary, good feature stories, even occasionally serious reporting, and did so virtually always with a reasonably intelligent and sincerely Catholic focus.

Meantime, while *The Wanderer* was right about everything, or nearly everything, had stood mightily against the tide when things fell apart, was by far the earliest and most aggressive supporter of both Wojtyla and Reagan and for all the right reasons, and occasionally, if never for long, employed real writers. It was not until around the time *Fidelity* first appeared--and towards which end it had played a decisive role--that *The Wanderer* began to branch out from its valid but predictable and not overly readable commentary to newer, younger, and sharper writers, volatile exposes, solid and real reporting, and

some major and very explosive interviews that suddenly catapulted it into a potent and feared force; and not only against the corrupt ecclesial establishment, but in the political world as well.

THE REAGAN YEARS

In the Reagan years it in consequence quickly became the most influential Catholic paper in the country, known to be read, not always happily, by James Baker and other top Reaganites, and clearly in the Vatican, to the point that by 1983 diocesan papers were denouncing it regularly and even weekly. This was soon seconded ('Misinformation to Rome!' ran the headline) by national secular publications like *Newsweek*, and then even public denunciations at the national Bishops Conference that year, an honor neither the *National Catholic Reporter's* mendacity, nor, as far as I know, any other major publication has yet to achieve.

Perhaps not least, it was excoriated both by *la grande dame* Bernardin himself who protested Vatican cooperation with it to Vatican Secretary of State Casaroli, as well as by then New York Governor Mario Cuomo (father of the current monster), who in 1984 repeatedly condemned it as responsible for "the worst moment of my life." That moment came when *The Wanderer's* New York reporter, namely, *me*, asked the new and popular New York Archbishop John O'Connor at his first press conference whether he had the authority to excommunicate Catholics, as St. Ambrose had the Emperor Theodosius, "when, like that head of state, and Governor Cuomo, they promote wanton acts of slaughter against in-

nocent civilians.” The Archbishop pondered the question, and left open the possibility.

Such in rough outline was the struggling condition of what called itself the Catholic press as the 1980s commenced, and E. Michael Jones decided to suffer the indignity no longer. The inaugural issue of *Fidelity* did not appear until December that year, the very month Prime Minister and Party Chief Wojciech Jaruzelski proclaimed martial law in Poland to crush the Solidarity union. Much else had changed since ‘81s hopeful beginning. Both Reagan and the Pope were shot in failed assassination attempts, Senator Jesse Helm’s Human Life bill that sought immediately to re-criminalize abortion foundered, and the Pope did not suppress but directly intervened in the government of the by then essentially apostate Jesuit order. Italy endorsed legal if limited abortion in a national referendum. Anwar Sadat was assassinated by his own soldiers in Egypt for reasons comparable to what drove the Shah from power, though Egypt had no man of Khomeini’s caliber, then or now, to replace him, and in October of that year, Pope John Paul II issued the encyclical *Laborem Exercens*, in English translation *On Human Work*, that was sharply critical of both Marxism and capitalism in both their excesses and essences.

MILITARY SPENDING

Reagan had meantime gotten his tax cuts and huge military spending increases that, with a brief respite at the end of Clinton’s presidency, began the modern economic era of annual stratospheric federal deficits. He also initiated

through, to date, the last Gentile Federal Reserve Chairman, (5) the draconian high interest anti-inflationary policies that in ‘82 would bring unemployment to its highest level since the Great Depression. He broke the air controllers strike, began funding often brutal and sometimes genocidal operations and regimes in Central America, came down mostly on the side of neo-conservatives in administrative battles with more venerable conservative perspectives, and successfully appointed the dubious and as it would prove decisive pro-Roe Sandra O’Connor to the oligarchic Court that would keep, as it keeps, the mass murder industry thriving.

Yet the disastrous or at best ambiguous consequences of these policies were far from clear even at the end of Reagan’s Presidency, much less its first year. Betrayal that the O’Connor appointment was, her legal position on abortion was at first obscure, then at least tentatively pro-life, and would not reveal its full malignity until years after Reagan left office. Communism and the Soviet Union were in fact still menacingly powerful, and very potentially more so if they could establish further beachheads beyond Cuba in Central and South America. Inflation truly had become severe and dangerous under Carter; and much of unionism had been corrupted into fighting for abortion, upper class feminism, and other cultural depravities instead of being a voice for its membership, much less the working classes generally.

And so it was that hope for restoration, despite setbacks, endured. For while the merciless cultural dissolution of mass murder, pornography, perversion, and Planned

Parenthood continued apace, and a new reckless if still ruthless economic approach began and yet abides as the ruling class passed from Protestant into Jewish hands, there remained nonetheless a quality in Reagan’s rhetoric, in many of his appointments—his appointment of Patrick Buchanan as his Communications Director comes to mind—and perhaps not least in what seemed a sincere support for and even warmth towards those who were fighting the putrefaction, that emboldened those still fighting it. And the Catholic laity, very possibly even Mike Jones, were not least among these.

Accordingly, with its first issue *Fidelity’s* impact was both electric and immediate. I know. I remember in particular while perusing its first issue as I write now, that did the electrifying (and which excellent edition for a hefty price I’m willing to sell in order to donate proceeds to *Culture Wars!*). Hopeful comparisons to John Wisner (who would later write for *Fidelity*) and Brent Bozell’s brilliant and famously militant *Triumph* magazine (1965-1975) were also immediate, and perhaps not wholly unwarranted. There were some differences, perhaps worthy of consideration as we proceed, but what made the comparison apt from the start was a sharpness of intellect and clarity of prose exposing both the pith of what ailed state and Church, and, without pusillanimity, also the antidote: that only through Christ, and His moral order, could either be rectified.

CHRISTOPHER DESALES

Mike Jones on Coney Island

by E. Michael Jones

I have seen the mermaids singing, each to each.
I do not think they will sing to me.
T.S. Eliot, "The Love Song of J. Alfred Prufrock"
America. . .
When will you take off your clothes?
Alan Ginsberg, "America"
. . . Montparnasse is Jewish.
Henry Miller, *Tropic of Cancer*

I turned 65 in May. This makes me officially an old man. Shortly after turning 65 I lost the pants clip that keeps my trousers out of the black greasy chain of my bicycle, and so, for a short time, until I found the pants clip again, I would travel around South Bend, Indiana wearing "the bottom of my trousers rolled," just like J. Alfred Prufrock. To do the Prufrock thing completely, I needed white flannel trousers and a beach. Well, I don't have white flannel trousers, but in late June I was near the beach. In this particular instance the beach where I intended to walk was beyond the boardwalk where Coney Island meets the sea.

In 1609 Henry Hudson discovered Coney Island one day before he discovered Manhattan. The Lenape Indians who lived there called the island "Narrioch," which means "land without shadows," because the island's southeastern orientation allows the sunlight shines on the beach all day long.¹ Coney Island received its name from the rabbits which lived there before their habitat was destroyed, but it achieved its fame as an amusement park. It is certainly an arguable

proposition to claim that Coney Island is the home of the most famous beach in the United States.

Like Prufrock, I have grown old. Like Prufrock I even wear the bottom my trousers rolled when I walk on the beach. But life is still full of surprises. Imagine Prufrock's shock, then, when, barely off the D train, he encountered a mermaid in the Coney Island Metro station. Prufrock had stumbled onto the Coney Island Mermaid Parade. There is no fixed date for the Coney Island Mermaid Parade. It can occur at any time on the Saturday closest to the summer solstice in late June. After Hurricane Sandy, there was doubt whether it would ever occur again. The odds of stumbling across it accidentally on the way to the beach were infinitesimally small, which means that this was God's doing not mine.

The Coney Island Mermaid Parade, we are told, "is a lively and welcoming ocean-themed event opened to everyone."² Slightly more honestly, one of the mermaids said that the Coney Island Mermaid Parade was, "an excuse to go naked in New York city."³ The Coney Island Mermaid Parade came into existence in 1983, which is to say nine years after the Greenwich Village Halloween Parade. It came into existence so that the mermaids "can come out as the freaks that we are and feel at home in the world."⁴

All parades in New York became in effect Gay Pride Parades the moment the courts forced the Irish who held the St. Patrick's Day Parade to admit homosexuals to their ranks or not get a parade permit. The Coney Island Mermaid Parade is no exception to this rule, except for the fact that the endorsement of homosexuality, sexual deviance, and exhibitionism was more overt.

E. Michael Jones is editor of *Culture Wars* magazine.



Over the 31 years of its existence the Coney Island Mermaid Parade has drawn larger and larger crowds. On the day when I attempted to get to the beach at Coney Island approximately 750,000 people had lined the streets effectively blocking my way. When the parade was finally over and the crowd rushed to Nathan's to buy a hot dog, it was the first time I felt threatened by the crush of the crowd since having attended the 34th anniversary celebration of the Islamic revolution in Tehran. The Coney Island Mermaid Parade was the mirror image of the celebration of the 34th anniversary of the Iranian Islamic revolution. Once a year the Iranians celebrate the overthrow of the Shah and the sexual subversion he promoted. Over here, we celebrate sodomy, the triumph of sexual decadence, and the moral corruption of women. Pentheus, the ruler of Thebes, no matter what his faults were, knew that when the women leave their looms to dance naked on the mountainside, the fall of the state is imminent. On

the other hand, Michael Mukasey, Brooklyn's Borough chief, announced to anyone who felt offended at the women dancing naked on the boardwalk, "if you don't like it, leave." If the *New York Times* reporter who interviewed me in Tehran had asked me to give my first impression of Coney Island, it would have been sexualization.

There is an undeniable vitality to New York City. That vitality comes from human labor. When it comes to human labor, the juice bar just west of Washington Square is the best metaphor for the New York labor market. New York City, to mix metaphors a bit, is a huge vacuum cleaner, sucking labor from every part of the United States and every part of the world. New York City is also a huge juicing machine. Like a juicing machine, it sucks the labor out of those who go there looking for work and then spits out the human pulp that is left over when the labor has been extracted. Every human being is the fruit of the union of two other human beings. In a capitalist economy, the man with the most money gets the most fruit. Human labor lines up at the portals of New York City to be juiced. I'm not just talking about the dark-skinned immigrants who take the rich people's children for walks in the park. I'm talking about the woman sitting on the bench next to me in Washington Square telling her story to her friend. Washington Square is a place where people rest on their way to work. The woman sitting next to me is a lawyer at a high-pressure firm who has been "unhappy for 10 years now" because in the process of appropriating her labor the law firm which employed her appropriated her life as well.

Her troubles began, she tells her friend, when a new

The Coney Island Mermaid Parade was, "an excuse to go naked in New York city."³

partner joined the firm. The new partner felt that every client had the right to a legal brief the very next day, no matter how complicated. His advent at the firm meant that the then young lady lawyer began a series of 18-hour days which have continued to the present. She would get home at midnight and have a cheese



sandwich just before going to bed for the five hours of sleep that would allow her to be at her desk the next day at 6:00 AM.

"One night," she told her friend, "I came home at midnight and was eating my cheese sandwich on the sofa when I burst into tears." Because of her hours she had not gone to a party in months; she had not met anyone as a result; as a result, she had not gotten married; she had not had children; now she was in her mid-40s and it was too late to have children. The New York Labor Juicer had sucked her dry. Paul Krugman recently opined in the New York Times that the capitalist labor machine is so efficient that it continually generates unemployment. As an alternative Krugman proposed a wage for everyone, whether they work or not. Not infrequently economists claim that technology makes labor obsolete, but this is clearly not the case with the 40-year-old lady lawyer sitting on the bench next to me. By allowing herself to be exploited by putting in the hours that ruined her life, she put at least two other lawyers out of work, and the surplus value which she and the two phantom employees who never got hired created went into the pockets of the partners who juiced her life.

So what happened to the two lawyers, never hired, who would have allowed this lady to lead something approximating a normal life? They most probably sold their labor at a lower price, most probably doing something they were not qualified to do, bumping someone else out of a job, and so on down the labor food chain until we reach the pool of the permanently unemployed whose role in life is to keep wages low for everyone else. In order to keep this permanently un-

employed mass of human laborers from turning revolutionary, as it threatened to do at the recent Occupy Wall Street demonstrations, the state provides, as it did in the ancient world, bread and circuses. Amusement, in other words, is the flip side of the exploitation of labor I have just described. The amusement park came into being when the industrial mobilization of labor reached its peak, which is to say during the last decade of the 19th century and the first decade of the 20th century, which was of course the time when Coney Island reached the apogee of its fame. "Coney Island," we are told, "took America from the Victorian Age into the Modern World."⁵

Taking its cue from the Columbian Exhibition in Chicago, Coney Island became a shrine to the wonders of the technological age. The railroad, which from the time Nathaniel Hawthorne immortalized it in the 1840s had become the prime artifact announcing the dawn of a new era of unlimited progress, got combined with the need for amusing the laboring masses during their limited free time when the first roller coaster was born on Coney Island in 1884.

The other technological breakthrough that made Coney Island the temple of the technological age was the incandescent light bulb. Luna Park, which was decorated with hundreds of thousands of light bulbs, was described as "an electric Eden."⁶ Because its amusement parks were made of paper, plaster, and lathe, they frequently burned to the ground. By 1910, which is to say, one year before Dreamland, one of the big three Coney Island amusement parks, burned to the ground, Coney Island's aura was visible 30 miles out at sea. "When it was at its most popular, it perfectly reflected its culture. . . . Part of that was the excitement of electricity."⁷

The final technology, the one that enabled amusement better than any other and simultaneously doomed Coney Island as its locus, was the motion picture camera, which was invented in 1896. By the time Coney Island reached its heyday, 450 motion pictures ran simultaneously there 24 hours a day. The first pornographic film made its debut one year later.⁸

Given man's fallen nature, recreation, which is necessary to the human spirit, is forever slipping into amusement, and amusement is forever slipping into vice. No

place on earth demonstrates this trajectory better than Coney Island, which was traditionally known as “Sodom on the Sea.”⁹ From the moment of its inception, when steam trains and ships were bringing sweltering New Yorkers there for respite from the summer heat in the 1860 and ‘70s, it was “a well known fact” that the picnics there were “arranged for the sole benefit of pickpockets, prostitutes, and swindlers.”¹⁰ Coney Island became a refuge from normal life. The freak shows, which always had a salacious tinge to them, preached against normality in the essential sense of the term. Coney Island preached progress, but there was no telos to human action. There was “no morality that said you had to be this way or that way.” Life “was a perpetual circus.”¹¹ Coney Island, as a result, became “a suburb of sodom” where “scenes that shock and disgust” corrupted young people of both sexes.¹² One of the first motion pictures ever made was “Sea Waves at Coney Island.” It was followed by “Cake Walk on the Beach,” a film “throbbing with physical passion,” at least according to the standards of the time.¹³

Soon the eroticism of the peep shows slopped over into the amusements themselves. The mechanical horse ride at Steeplechase Park became popular because it

Al Lewis, who would go on to fame as Grandpa in the TV series *The Munsters*, worked at Coney Island as a youth. His experience there taught him that “Every nation needs escape from respectability.” But more sinister forces were at work. The technology of the railroad, the light bulb and the moving picture allowed Coney Island to become a laboratory in which something more sinister would be developed, namely, the technology of controlling large masses of people through the manipulation of their passions. The amusement park would provide the model for amusement as a form of control which would be perfected in the period following World War II, when Coney Island had fallen into a period of terminal decline. Democracy got re-engineered at Coney Island. The proponents of that re-engineering claimed that “here you will find the real interpretation of the Declaration of Independence,”¹⁶ and they may have been right. By the beginning of the 21st century, the Coney Island Freak Show had become the main explicator of tolerance, freedom, and the American way.

After John Y. McKane, the political boss who ran Coney Island got sent to Sing Sing for corruption, the New York Times claimed that “it remains to be seen

whether the keepers of the resort can make their place attractive without vice.”¹⁷ By now it should be obvious that the answer to that question had become a foregone conclusion. Coney Island could never break out of the mold in which it had been crated as the proletarian escape valve from capitalism’s pandemic exploitation of labor: “By the last decade of the 19th century, . . . Coney Island ex-

ploded. A quarter of a million people could be found there on summer Sundays.”¹⁸

Before it could fulfill its destiny as a form of mass control, amusement in general and the amusement park in particular had to find their explication at the hands of the intellectuals. On a warm September night in 1909, Sigmund Freud, author of *The Interpretation of Dreams*, visited Dreamland on Coney Island and contemplated the technological wonders and *lusi naturae* on display there. One of the people who could have bumped into Sigmund Freud on that September night was Henry Miller. Miller was born in 1891 to an alcoholic German tailor and a Puritanical German

Luna Park, which was decorated with hundreds of thousands of light bulbs, was described as “an electric Eden.”⁶

gave young men “a chance to hug the girls. Girls like it because it gave them a chance to be hugged.”¹⁴ Even more sexually overt was the “Blowhole Theater,” which greeted the young men and women as they left the Steeplechase ride. Flanked by a clown and a midget at the exit, women were forced to walk over a jet of air which blew her skirt up around her waist in front of hundreds of voyeuristic spectators who had been provided benches by the ride’s owner. After the woman became an unwitting victim to the owners’ desire to profit from the voyeurism of the masses, “The audience shrieked with laughter and waited for the next victim.”¹⁵



mother, whose iron will and regular habits held the family together. Miller, whose name became synonymous with Bohemian sexual excess, never lost the orderly habits he had learned from his mother, not even in the squalor of Left Bank garrets in Montmartre and Montparnasse in the 1930s. By the time he reached his teenage years, Miller had become addicted to sexual vice and regularly visited prostitutes, from whom he contracted two cases of venereal disease by the time he reached his twenties.

At the age of 19, Miller began "an intensely sexual relationship with a woman who was old enough to be his mother,"¹⁹ financed by money his family had saved up to send him to college. In order to escape from the guilt and self-loathing that a sexual relationship of this sort invariably inspired, Miller would get up at 5:30 in the morning and "ride to Coney Island and back on the Bohemian racing wheel which he'd bought from a six-day bike rider at Madison Square Garden."²⁰ As Sigmund Freud could have predicted, Miller began to cathexis that self-loathing on to Coney Island itself, beginning the process whereby it would become a permanent symbol of sexual degeneracy, self-loathing, and cultural disgust.

The result of that cathexis was "a Coney Island of the Mind," a cultural virus which would go on to infect the entire nation. The phrase originates, not from

the book of poems by Lawrence Ferlinghetti which made it famous as part of the Beatnik craze of the 1950s, but from an essay by Miller entitled "Into the Night Life." Miller, in turn, got the phrase from "a line of Freud's which Gottfried Benn said contained the whole of modern psychology: 'Into the night life seems to be exiled what once ruled during the day.'"²¹ Miller's surrealistic prose was a combination of Freudian psychoanalysis and Coney Island's Dreamland amusement park. Coney Island became saturated in Miller's sexual disgust:

Everything is sordid, shoddy, thin as pasteboard. A Coney Island of the mind. The amusement shacks are running full blast, the shelves full of chinaware and dolls stuffed with straw and alarm clocks and spittoons. Every shop has three balls over it and every game is a ball game. The Jews are walking around in the mackintoshes, the Japs are smiling, the air is full of chopped onions and sizzling hamburgers.²²

In Miller's mind, Coney Island had become a symbol of America, corrupt and superficial, but before long, it becomes equally clear that America had become a stand-in for lost innocence, both national and personal, because capitalism goes hand in hand with moral corruption and "creative destruction":

In the oceanic night Steeplechase looks like a wintry beard. Everything is sliding and crumbling, everything glitters, totters, teeters, titters. . . . Where is the war summer's day when I first saw the green-carpeted earth revolving and men and women moving like panthers? Where is the soft gurgling music which I heard welling up from the sappy roots of earth? Where am I to go if everywhere there are trapdoors and grinning skeletons, a world turned inside out and all the flesh peeled off? Where am I to lay my head if there is nothing but beards and mackintoshes and peanut whistles and broken slats? Am I to walk forever along this endless pasteboard street, this pasteboard which I can punch a hole in, which I can blow down with my breath, which I can set fire to with a match? The world has become a mystic maze erected by a gang of carpenters during the night. Everything is a lie, a fake. Pasteboard.²³

Disgust mingled with nostalgia:

Under the elevated structure, the windows full of pies and hamburgers, the rails swiftly turning, the old sensations, the old memories invade me again. All that belongs with docks and wharves, with fun-

nels, cranes, pistons, wheels, ties, bridges, all the paraphernalia of travel and hunger repeats itself like a blind mechanism.²⁴

Confronted with a moral challenge of this magnitude, Miller can either repent or press on. Since Cora, the girl of his dreams, has been lost forever to marriage to another man, Miller takes on the persona of the Promethean liberator, walking along the ocean front, contemplating the beach, which “is strewn with human clams waiting for some one to pry their shells apart.”²⁵

In order to accomplish his mission of liberation through depravity, Miller would eventually leave his native New York to spend time in Paris, where Bohemia because of the world wide economic crisis, had fallen on hard times in comparison with the halcyon last days of the *belle époque*. The dubious fruit of Miller’s stay in Paris in the 1930s was the pornographic novel *Tropic of Cancer*, a *succes de scandale* that attracted the attention of the *tout le monde littéraire*, including such improbable admirers as T. S. Eliot. Samuel Beckett called *Tropic of Cancer* “a momentous event in the history of modern writing.”²⁶ In his typically ef-

In Miller’s mind, Coney Island had become a symbol of America, corrupt and superficial,

fusive manner whenever pornography was involved, Norman Mailer called it “one of the ten or 20 greatest novels of our century, a revolution in consciousness equal to *The Sun Also Rises*.”²⁷

While in Paris, Miller discovered that to be a Bohemian meant becoming Jewish. Montparnasse was Jewish, the transformation had taken place long before Miller arrived, under the auspices of Picasso’s dealer Kahnweiler and painters like Modigliani, who introduced himself to the English painter Nina Hamnett when she arrived in Montparnasse as “Modigliani, painter and Jew.”²⁸ As Miller put it in *Tropic of Cancer*: “almost all Montparnasse is Jewish, or half-Jewish, which is worse. . . . Frances Blake is a Jew or a Jewess.

Titus is a Jew. The Jews then are snowing me under. I am writing this for my friend Carl whose father is a Jew. All this is important to understand.”²⁹ By becoming a Bohemian, Miller had become a Jew. In describing his infatuation with the Jewess Tania, Miller writes: “for her sake I too would become a Jew. Why not? I already speak like a Jew. And I am as ugly as a Jew. Besides, who hates the Jews more than a Jew?”³⁰

Sodom by the Sea suffered the fate of its biblical namesake more than once. Dreamland, as we have already mentioned, burned to the ground in 1911, two years after Sigmund Freud’s visit. After World War II, the “creative destruction” continued apace. Luna Park burned down in 1944, reopened briefly and then closed forever two years later. Robert Moses hated Coney Island’s noise and squalor and vowed to clean it up with the high rise buildings which the Beats, taking their cue from Miller, condemned as part of the “air-conditioned nightmare” that America was on its way to becoming at the time. With decay came a kind of efflorescence. Coney Island experienced its greatest influx of visitors on Friday, July 4, 1947, when 1,300,000 New Yorkers, or one fifth of the entire population of the city, went to the beach. Three years later, in spite of the ongoing decay, or perhaps because of it, Bettie Page began her career as the world’s most famous pin-up model by simply walking along the boardwalk on Coney Island, where she was discovered by a full-time cop and part-time photographer by the name of Jerry Tibbs.³¹ Bettie Page would go on to pose for some 20,000 photos before she succumbed to the psychosis which playing the role of sexual icon eventually engendered.³²

The beach will always attract people on a hot day, but the amusement park era was rapidly drawing to a close:

After World War II, contraction began seriously from a number of pressures. Air conditioning in movie theaters and then in homes, along with the advent of automobiles which provided access to the less crowded and more appealing Long Island state parks, especially Jones Beach State Park, lessened the attractions of Coney’s beaches. Luna Park closed in 1946 after a series of fires, and the New York street gang problems of the 1950s spilled into Coney Is-

land. The presence of threatening youths did not impact the beach-goers, but discouraged visitors to the rides and concessions which were staples of the Coney Island economy. The local economy was dealt a severe blow by the 1964 closing of Steeplechase Park the last of the major amusement parks.³³

Then the real catastrophe occurred. Shortly after World War II, the literary Jew boys discovered Miller and made him, and by extension Coney Island, the stylistic paradigm of modern American literature. Coney Island had been weaponized by becoming “a Coney Island of the Mind.” Karl Shapiro, who could serve as the classic example of one of New York’s literary Judenbuben, suggested that he and Lawrence Durrell should “put together a bible of Miller’s work’ to be substituted for the Gideon Bible in every hotel room in America.”³⁴ This is, of course, precisely what happened—if not literally then certainly substantively. Sexual decadence became the new Bible, and every parade became a gay pride parade in one way or another.

By the time, Lawrence Ferlinghetti published his book of poems *A Coney Island of the Mind* in 1958,

The Jew Boys from New York city had unilaterally declared Henry Miller the new literary Messiah.

Coney Island had become a symbol of decadent sleaze, and that was precisely why the Judenbuben liked it so much.

When Lawrence Ferlinghetti, Sephardic Jew who grew up in New York, issued a book of poetry entitled *A Coney Island of the Mind* in the mid-50s the transformation was complete. Lifting the title of his book from Miller’s description in his Freudian, surrealist essay “Into the Night Life,” Ferlinghetti’s poetry was simply Miller’s prose splayed across the page in ways that disguised its lack of meter. Under the auspices of Ferlinghetti and Allen Ginsberg and Norman Mailer, the island where the Dutch used to hunt rabbits became:

a kind of Coney Island of the mind, a kind of circus of the soul.” Indeed both Miller and Ferlinghetti hit on the idea of letting go, of giving in to your senses. They suggest we should embrace the chaos of the carnivalesque, the overstimulated bawdiness of the burlesque. And they evoke moments when we may have no choice otherwise.³⁵

Ferlinghetti used Miller’s style as a cover for Jewish blasphemy. In one of his poems from *A Coney Island of the Mind*, he describes Jesus Christ on the cross as:

Him just hang there
On His tree
Looking real Petered out
And real cool
And also
According to a round up
of late world news
from the usual reliable sources
real dead.³⁶

A Coney Island of the Mind is the mechanism which reduces everything human and/or sacred to something freakish, campy, and ultimately dismissible:

This life is not a circus where
the shy performing dogs of love
look on
Yet gay parading floats drift by
While cakewalkers and carnie hustlers
All gassed to the gills
Strike playbill poses
And stagger after every
Wheeling thing

While still around the ring
Lope the misshapen camels of lust
And all us Emmett Kelly clowns
Always making up imaginary scenes
With all our masks for faces
Even eat fake Last Suppers
At collapsible tables
And mocking ourselves
In saw dust crosses
And yet gobble up at last
To shrive our circus souls
The also imaginary
Wafers of grace.³⁷

The main force driving Miller’s reputation among the Jewish literati in New York was *Tropic of Cancer*, Miller’s pornographic *tour de force* describing his



life among the lice-ridden whores of Paris during the 1930s. The Jew Boys from New York city had unilaterally declared Henry Miller the new literary Messiah. Miller “took off at the place where Hemingway ended.”³⁸ Henry Miller, Norman Mailer continued:

has influenced the style of half the good American poets and writers alive today: it is fair to ask if books as different as *Naked Lunch*, *Portnoy's Complaint*, *Fear of Flying*, and *Why are we in Vietnam?* Would have been as well-received (or as free in style) without the irrigation Henry Miller gave to American prose. . . . With the exception of Hemingway he has had perhaps the largest stylistic influence of an 20th century American author.³⁹

Mailer is, of course, right. At some point during the second half of the 20th century, American literature ended up in the garbage can largely because of Henry Miller and his Jewish acolytes. Allen Ginsberg's poetry reads like a bad imitation of Henry Miller's prose. It has the same unfortunate combination of sexual deviance taking refuge behind high moral indignation, as when he wrote in the poem of the same name: “America when will you be angelic?/When will you take off your clothes?”

Miller knew he was spewing cultural poison when he wrote *Tropic of Cancer*. What he only came to understand later is that this poison was seen as a valuable commodity because it anesthetized its readers to the extent of their depravity:

One reason why I have stressed so much the immoral, the wicked, the ugly, the cruel in my work is because I wanted others to know how valuable these

are, how equally if not more important than the good things . . . I was getting the poison out of my system. Curiously enough, this poison had a tonic effect for others. It was as if I had given them some kind of immunity.⁴⁰

Eventually the *Judenbuben* from New York City, Miller's *Tropic of Cancer*, and the work of epigoni like Ferlinghetti and Ginsberg combined to overturn the nation's obscenity laws. One day after Ferlinghetti heard “Howl” for the first time, he wired Ginsberg a telegram saying: “I greet you at the beginning of a great literary career.” It was the same line that

Emerson had sent to Walt Whitman after the former had read *Leaves of Grass*. The reaction of the police was anything but flattering. In 1956 San Francisco police confiscated copies of “Howl” and Shig Murao, the bookstore manager, was arrested on obscenity charges. Ferlinghetti went on trial, but was eventually acquitted thanks to the efforts of Jake Ehrlich and the American Civil Liberties Union, the Jewish organization that was then in the forefront of striking down obscenity laws. The judiciary followed the ACLU's lead on the matter. Judge Clayton W. Horn declared that “Howl” was not obscene, and Ginsberg was acquitted in October 1957.⁴¹ In 1964 the United States Supreme Court declared that *Tropic of Cancer* wasn't obscene either.⁴²

What followed was moral deregulation not just in sexual issues, but across the board. The prime beneficiaries were the Wall Street Usurers. The Jewish-led sexual revolution, which began when Hollywood overturned the essentially Catholic production code over a two-year period of time beginning with the release of *The Pawnbroker* in 1965 and ending with the release of *Who's Afraid of Virginia Woolf?* in 1967, found its culmination in the de-criminalization of abortion in 1973, but the point of sexual liberation was ultimately economic. The culmination of the sexual revolution was the Monetary Control Act of 1980. The decriminalization of usury which occurred with the passage of the Monetary Control Act of 1980 was only the logical extension of the wave of moral “liberation” which began with the sexual revolution. Greider sees the same connection when he writes:

For some years, American society had been engaged in an era of moral liberation . . . The Catholic sin [sic] of abortion was legalized. . . . Moral inhibitions that had held authority for centuries were abandoned. Old notions of sinfulness were redefined as largely private matters, no longer subject to public regulation. . . . In this climate of moral change, American finance was also liberated to do what had once been forbidden. This sin of usury was legalized by an act of Congress.⁴³

Unlike the reaction to abortion, which would propel Ronald Reagan into the White House in 1980, there was no controversy surrounding the decriminalization of usury. The same rhetoric would be applied to both liberations: “Lending money at ruinous rates would now be regarded, like sex, as a ‘victimless crime,’ a private act between consenting adults.”⁴⁴ Since the traditional moral condemnation of usury was always at odds with the dynamics of capitalism, which was always state-sponsored usury, any erosion of morals was going to be good for capitalism. Viewed in this light, the sexual revolution can be seen as the first phase of a plan of moral deregulation whose ultimate goal was freeing the capitalist system of the last vestiges of

“It apparently did not go unnoticed in executive suites across the country that virtually all the takeover specialists and their financial backers were Jews.”

moral restraint. With the passage of the Monetary Act of 1980, that goal was achieved. The moral poles had been reversed:

Creditors were now portrayed in the political debate as the victims, the virtuous citizens who were exploited by the political interference. Borrowers were described as morally suspect. . . . The original social contract implied by the concept of usury—the obligations of wealth toward the needs of others—was inverted. The congressional debate described a new political obligation: the savers must be set free, free to seek the highest rate of return on their money.⁴⁵

Once the Fed started paying over 20 percent on T-bills, usury statutes became meaningless because the entire economy had to follow the Fed’s lead. Banks which borrowed from the Fed at record high rates had to charge their customers even higher rates to make a profit. Greider claims that “the moral offence” involved in usury “was profit without work. The usurer sold time, which belonged only to God.”⁴⁶ But by the 1980s, the religious terminology was all on the side of the usurer. When Paul Volcker and other defenders of usury referred to their attempts to return to the pre-Keynesia era of hard money, they invariably referred to “suffering” of the salutary sort that took place in “purgatory.” Hard money was the “old-time religion” that needed to be brought back to pay for the Keynesian binge. According to David Stockman, Reagan’s director of the Office of Budget Management, “The president would say to us: ‘We’ve been on a binge for 30 years. This is the price you have to pay’”⁴⁷ according to the “old time religion.”

Greider claims that “The payment of interest was the core of the capitalist dynamic—it mobilized idle wealth for productive enterprises,”⁴⁸ but in pointing out the errors of the usurers, Greider often can’t distinguish between the ten commandments and the golden calf, as when he writes:

The advocates of gold relied upon divine authority to enforce this natural order. If humankind pledged obedience to God’s indestructible metal, it would be rewarded with eternal assurance of stability. Both doctrines, gold and monetarism, were expressions of pre-modernist fundamentalism, simple and certain moral formulas for life, and their certitude had deep appeal, especially in anxious times.⁴⁹

If the gold standard is orthodoxy, then Keynes can certainly be described as a heretic, but the terms are deceptive because the real orthodoxy in both moral and economic matters preceded the gold standard. Greider fails to grasp the paradox at the heart of Keynesianism when the claims that Keynes and his followers:

claimed that men and women could responsibly manage human affairs for themselves. They were rationalists who dismissed the “old-time religion” and its false moral commandments. Universal hu-



man pleasure, Keynes announced, did not require a requisite measure of Calvinist pain. It required the application of human intelligence.⁵⁰

Human intelligence may or may not be able to bring about “universal human pleasure” (whatever that means), but it can only bring about a sound economy through the application of practical reason, which is to say universal norms which proscribe anti-social behavior like usury.

Advocates of the real “old time religion,” like St. Antonino of Florence, would counter Greider’s argument by saying that usury on loans was the antithesis of productive investment (and charity), because, unlike equity investments, there was no shared risk on a loan. Even the guardians of the rentier class understood this fact. Fed Governor Charles Partee pointed out “the fundamental difference between equity and debt” when he claimed that: “You are not required to pay a dividend to stockholders if your profits are down. But if you don’t service your debt, you go bankrupt.”⁵¹ This fact would become painfully apparent during the leveraged buy-out frenzy of the 1980s, when equity got exchanged for debt on a massive scale with devastating consequences for America’s manufacturing sector, as one corporation after another failed because it had been saddled with more debt than it could sustain.

In 1984, at the height of the LBO frenzy, US corporations turned \$72 billion in stock shares into debt.⁵² Much of that money got siphoned off into exorbitant fees for the managers of the deals. Next to nothing got invested to make the companies more productive. It was one more instance of usury facilitating the looting of American labor.

When Congress enacted the Monetary Control Act of 1980, “State usury laws—which prohibited interest rates from rising above acceptable levels—were unilaterally suspended by act of Congress.” The suspension of usury laws would prove to be a disaster for small businesses and the working man, but the high interest rates it allowed proved to be a boon for the banks:

The Monetary Control Act of 1980 represented a major tax cut for the banks, totaling many billions of dollars. When the new rules were fully phased in, the member banks would be freed of nearly \$14.5 billion in reserve requirements—money that they could then invest at market rates.⁵³

The real winners were the big banks, which because of reduced reserve requirements now suddenly had billions of their assets freed up at precisely the same time that the government was paying unprecedentedly high interest rates. Needless to say, many of the legislators who passed the Monetary Control Act of 1980 profited from it financially. The banks contributed generously to the campaigns of their congressional supporters, but beyond that more than one-fourth of the Congressmen who passed the bill had a direct financial stake in the outcome. Ownership of stock in financial institution among congressmen “exceeded their holdings in manufacturing, law, arms, or oil and gas.”⁵⁴

On January 20, 1981, Ronald Reagan was inaugurated President of the United States, and on the same day, the Iranian hostage crisis ended. The link between the two events was not coincidental. The Reagan campaign had bribed the imams to prolong the hostage crisis as a way of embarrassing Jimmy Carter and winning the election.

Ronald Reagan then set out to implement the same economic theories that Paul Volcker was implementing at the Fed. “Reagan,” according to Greider, “was the first modern president who could fairly be labeled a monetarist. He was a disciple of Milton Friedman’s.”⁵⁵ He knew, therefore, that another word for driving down inflation was increasing unemployment. As a result, it didn’t take Reagan long to declare war on labor. When 13,000 members of the Professional Air Traffic Controllers Organization walked off the job on August 3, 1981, Reagan was handed his *causus belli* on a silver platter. That afternoon, Reagan announced that the strikers had 48 hours to return to work or face termination.⁵⁶ After courting the union’s support during the 1980 presidential election campaign and com-

miserating with them over their long hours and low pay,⁵⁷ Reagan responded to PATCO's strike by turning the power of the federal government against the union, firing 11,000 strikers and ordering the Justice Department to indict 75 of the union's leaders. A federal judge complemented Reagan's work by imposing fines of \$1 million per day for the duration of the strike. Faced with government fire-power of this sort, the strike collapsed; the union was ultimately decertified, and a warning went out to organized labor that the New Deal was officially over:

By the 1980s, the New Deal reforms that protected labor and agriculture had already lost their effectiveness. . . . Labor unions . . . had also lost much of their power to control access to jobs. Corporations, facing their own cost squeeze on profits, had discovered how to escape the wage demands of organized labor. They simply moved the factories away from the unions. Manufacturing jobs were relocated first, from the industrial North the underdeveloped South, where willing workers accepted lower wages and the absence of union protection. Next, the jobs were moved overseas to low-wage countries around the world.⁵⁸

Widespread acceptance of Friedman's Chicago School economic theories enabled the American government to attack labor in the United States, just as it had enabled the attacks on labor that immediately followed the installation of Friedmanite dictatorships in countries like Chile and Argentina. Caught in a crossfire between the Fed and the White House, labor lost all of the gains it had made during the Keynesian/New Deal era. From the Friedmanite perspective, the war on inflation and the war on labor were two sides of the same coin. As a result of declaring war on inflation, "Volcker wanted wages to fall, the faster the better. In crude terms, the Fed was determined to break labor."⁵⁹

GINSBERG ON WALL STREET

Benjamin Ginsberg told the '80s Wall Street story from a slightly different perspective. According to Ginsberg, "It apparently did not go unnoticed in executive suites across the country that virtually all the takeover specialists and their financial backers were Jews."⁶⁰ Both Martin and Charlie Sheen played characters which were identifiably Catholic in Wall Street, but Gordon Gecko was never identified as a Jew even

though all the "rapacious leveraged-buyout kings of the 1980s" were overwhelmingly of the Jewish persuasion. Or, as Ginsberg puts it in *Fatal Embrace*,

Such Jewish financiers as Saul Steinberg, Victor Posner, Carl Icahn, Nelson Pelz, the Belzberg family, Sir James Goldsmith and others were among the leaders in hostile takeover efforts. Of the major actors in the area of corporate takeovers, only two --T. Boone Pickens and Cincinnati-based Carl Lindner--were not Jews. Jewish arbitrageurs--Ivan Boesky came to be the most famous--became major factors in the acquisition of huge blocks of stock, easing the way for takeover attempts. Jews pioneered program trading that, among other things permitted corporations to aggregate excess revenues in their pension funds that could then be employed for other corporate purposes.⁶¹

Ginsberg claims that the Reagan Administration arranged this "marriage of convenience" largely to pursue foreign policy goals and then reneged on the arrangement when it became politically inconvenient. Be that as it may, junk bonds were a Jewish invention because:

The parvenu Jews saw the incredible possibilities inherent in the junk bonds that established firms disdained. The Jews honed the art of risk arbitrage, another field snubbed by WASP Wall Street.⁶²

In what was an unprecedented reversal of political roles,

the Jewish financier enjoyed the blessing and protection of the Reagan administration. The administration courted the financiers and protected them from a hostile congress.⁶³

The Democratic Party was the traditional political home of the Jews, who earn like Episcopalians but vote like Puerto Ricans, but because the Democrats were beholden to the unions, they could not ignore the wreckage which leveraged buyouts were causing in the economy. They could also not ignore the anti-union bias of the PE firms or the toll in lost jobs they were causing. The toll was enormous indeed. Just two years of corporate take-overs, those which took place between 1985 and 1986 wiped out "one-fourth of the corporations that had been listed in the Fortune 500" and the jobs of everyone who worked for them.⁶⁴ And in 1986 it looked as if the worst was yet to come. As a result the Democrats turned on the Jews:

Many of Reagan's opponents in the Democratic party and the liberal media understood that it was the de facto alliance between the administration and the Jewish financiers that made sufficient money and credit available to fuel economic expansion despite the huge budget deficits that would have otherwise diminished the availability of capital to private concerns. . . . By attacking the activities of the Jewish financiers, Democrats hoped to disrupt Reagan's economic policies, which were damaging their own constituents.⁶⁵

When it became apparent that the Reagan administration could not protect its Jewish financiers, they were cut loose from White House protection and began turning on each other. Dennis Levine, "a managing director at Drexel Burnham Lambert and a close associate of many of the major Jewish financiers . . . agreed to cooperate with federal authorities and led investigators to Ivan Boesky. Boesky, in turn, led prosecutors to a number of others, including, most importantly, Michael Milken."⁶⁶ After Milken was indicted, Drexel Burnham Lambert was forced into bankruptcy, and the whole leveraged buy-era came to an abrupt end as criminal investigations became "weapons in partisan warfare."⁶⁷

By 1987 it was clear that the government felt that it had to intervene. In October 1987, the same year that Wall Street appeared in the nation's theaters, House Ways and Means committee chairman Dan Rostenkowski closed the last big leveraged buy-out loophole, causing the Dow Jones Industrial average to fall 23 percent, the largest one-day decline in the history of the stock market. By 1989 nine Congressional hearings were planned on the impact of leveraged buyouts. At this point the bad news was undeniable: "Of the 25 companies that from 1985 to 1989 borrowed \$1 billion or more in junk bonds to finance their own LBOs, 52 percent, including wallboard maker National Gypsum, eventually collapsed."⁶⁸

FAILED EFFORT

Ultimately, Rostenkowski's effort to reign in the leveraged buyout kings failed. During the 1980s, Congress "considered taking bold action," but "In the end no major changes were made."⁶⁹ Kosman tells us that "In the early 1990s the LBO kings disappeared from public view,"⁷⁰ but the change was more semantic than financial. The change "from leveraged buyout to man-

agement buyout to private equity. . . . was really a marketing concept."⁷¹ The Fed's willingness to keep the cheap money spigot turned on insured that predatory take-overs would continue, no matter what they were called. Banks were now competing with each other to get LBO business.

There are other reasons why this issue did not get resolved. One was because of the connection between Private Equity buyouts and demographics, or as Kosman put it, "State pensions . . . needed higher returns to pay all of the soon-to-be retiring Baby Boomers."⁷² Pension managers needed higher returns because their clients were retiring, and younger workers were not replacing them. By 2006, 51 of 64 state pensions were underfunded, compared with only 25 in 2000. "From 1997 through 2007, the \$24 billion Employees Retirement System of Texas had seen a 17 percent fall in active members and an 85 percent rise in retirees."⁷³

Sensing that he had the upper hand over the pension fund managers, Henry Kravis starting flying them to KKR headquarters in his private jet and tying up their money in long-term contracts that benefited KKR. Because demographics were upside down, Kravis could take advantage of what Kosman characterizes as "a huge pool of investment money competing for opportunities."⁷⁴ Pension funds were practically begging PE firms like KKR to take their money, and people like Henry Kravis were only too eager to oblige, often tying up pension fund money for a decade into the future, even as returns began dwindling. Kravis knew that he had the pension funds by the short hairs, largely because of the cheap money which Federal Reserve Board Chairman Alan Greenspan continued to make available at public expense. Greenspan's collusion with the plutocrats is just one of many ugly stories which comes out in the private equity saga. If the Fed had raised interest rates to where they were in the early '90s, the pension fund managers could have bought T-bills, and predatory middle men like Kohlberg and Kravis would have been eliminated from the equation. Instead, Greenspan chose to act in their interest by keeping the cheap money spigot open.

DICK ZIGUN

Dick Zigun founded the Coney Island Mermaid Parade in 1983, long after anyone in his right mind could consider a novel, much less a poem, obscene



but just as the leveraged buy-out frenzy was reaching a peak on Wall Street. Zigun was born in 1953, raised in Bridgeport, Connecticut, hometown of P.T. Barnum, and received an MFA from the Yale School of Drama and many NEA grants.⁷⁵ Zigun was raised an Orthodox Jew, but he now describes himself as an agnostic. His deconversion from Judaism began when he attended Expo 67, the world's fair in Montreal. Zigun, who would go on to become the un-official mayor of Coney Island, recognized the religious implications of Coney Island-like exhibitions early on. He described the world's fair in Montreal as "a mind-blowing experience." The interviewer from the Jewish Forward then described the effect of Montreal's Expo '67 on his religious views:

Thanks to Expo's state-of-the-art science and cutting-edge technology, religion no longer had any traction for him. Prayer and praise didn't make sense. Despite good relations with his family, gatherings became difficult when they centered on Jewish rituals and on synagogue attendance.⁷⁶

Zigun is described as "married to a pop musician from Lagos, Nigeria," but the gender of Zigun's wife or "wife" is not specified. In certain ways, of course, it doesn't matter anymore because all of us are now Jews and homosexuals, and even if we aren't really, we're expected to act the parts. We're all supposed to emulate people like Dick Zigun, who found his true vocation in corrupting the morals and the mores of the American culture which has treated him so well. Who could not, after all, be envious of Zigun's political clout and the fact that he can count on the support of New York Mayor Michael Bloomberg, as well as generous government stimulus packages to implement what he calls "amusement park socialism."⁷⁷

Is it surprising that "amusement park socialism" has a distinctly Reichean, sexual-revolutionary tinge to it? No, not at all. Nor is it surprising that "amusement park socialism" is compatible with the most ruthless form of capitalism, which is to say, Jewish capitalism. The two have been bedfellows ever since Jacob Schiff gave Trotsky a ship laden with gold and told him to put it to good use in overthrowing the Czar.

Nor is it surprising that the Coney Island Mermaid Parade would begin at the height of Wall Street's leveraged buyout craze. Ten years after the advent of feminism, law schools were churning out women who would throw themselves voluntarily into the capitalist volcano in exchange for narcissistic fantasies that would console them in the absence of children and fulfilled lives. Abortion weaponized a whole generation of women. When the feminist lawyers woke up to the fact that they had ruined their lives irrevocably, Dick Zigun was on hand to turn them into mermaids.

Just in case there is any doubt left in anyone's mind about the Jewish role in this trajectory of cultural decay, Joe Biden announced in mid-June that the Jews were behind gay marriage, the latest manifestation of cultural decadence. Two days after Prufrock watched the mermaids dance naked on the Coney Island boardwalk, the Supreme Court of the United States overturned the Defense of Marriage Act. As we have come to expect, the Jewish press bragged that this act of antidemocratic cultural terrorism was orchestrated by Jews, in particular Jewish women led by Justice Ruth Bader Ginsburg:

It's probably not an accident that the four Justices who were most critical of DOMA are all either women or Jews — and in the case of Ginsburg and her colleague Elena Kagan, both. It is, however, a total coincidence that the plaintiff in the case, Edith Windsor and her lawyer, Roberta Kaplan, are also both Jewish women.⁷⁸

As Pentheus discovered a long time ago, as soon as the women leave their looms and dance naked on the mountainside, the state is doomed. The same fate applies when mermaids dance naked on the Coney Island boardwalk.

NOTES AVAILABLE UPON REQUEST

LETTERS, CONT'D FROM P. 9

or vote for a Republican candidate with an easy conscience, and I dislike pro-Zionist warmongering every bit as much as you do.

But the Two-Party System and Zionism are not the only things wrong with the world. There is another monster out there called Islam. It also has several heads. Two of these heads are Sunni Islam and Shia Islam. The last couple of issues of your magazine have included articles presenting a positive view of Shia Islam and the Shia-dominated nation of Iran. You seem to think we should consider the Shias our allies—primarily against the unreasoning fundamentalism of the Sunnis and other, even more extreme Muslim sects (Wahhabis, Salafis), but also against the perverse so-called reasoning of the decadent Western Enlightenment.

I do agree with you to some extent. I agree that America's current troubles with the Muslim world are due partly to America's mindless support of Zionism and partly to America's aggressive exportation of its own toxic culture. Even Muslims are entitled to justice; and what Muslims have been getting at the hands of Israelis and Americans is unjust. I also agree that, if one must choose among Muslims, Shias may look somewhat less bad than Sunnis. The question is whether the distinction between Shias and Sunnis is enough to make any real difference.

Ayatollah Amoli's article "Man, Freedom, Slavery, and Law" gives me little hope for Shia. Here's why. In your review of Reilly's book *The Closing of the Muslim Mind*, you discuss the contest between Mutazihites, the Muslim champions of reason, and Asharites, the Muslim champions of unreason. It's not quite as simple as that. According to William Lane Craig, the Mutazilites and Asharites can be classed together in Opposition to the ultra-fundamentalism of the Hanbalites. You acknowledge that "... al-Ashari is considered to be relatively moderate as compared with Ibn Hanbal and later the Wahhabis ...". Mutazilite and Asharite mutakallimun (scholastic theologians) together were responsible for what Craig calls "the kalam cosmological argument" for the existence of God. On the other hand, you quote Reilly to the effect that Mutazilism remains a significant aspect of Shiite thought. Ayatollah Amoli disagrees. On p. 32, he expressly repudiates "the false position of the Mu'tazila" and endorses the

Asharite notion that God's will is arbitrary.

My patron saint is Roderic, a Spaniard. In the eighth century A.D., Spain was invaded and almost entirely conquered by Muslims. A century later, the allegedly enlightened Muslim emirs of Cordova began persecuting their Christian subjects. The persecution was intended, at a minimum, to prevent Muslims from converting to Christianity. But the persecutors went farther: they killed Roderic, a Christian, in an attempt to force him to convert to Islam. Don't try to tell me that intolerance is "alien" to Islam!

The fact that there are irreconcilable differences between Christianity and Islam does not preclude tactical alliances between Christians and Muslims. Even some Crusaders understood that--and if more Crusaders had understood it, the Crusades might have been more successful than they were. (A stupid Crusader attack on potential Muslim allies in Damascus brought on the fall of the Crusader kingdom.) In recent years, a tactical alliance between Christians and Muslims helped derail the anti-life agenda at the Cairo Population Conference. Today, the only effective force for modesty in the Western World seems to be Islam--although Muslims take this idea to an extreme. There must be some decent middle ground between the birqa on the one hand and "sunbathing naked" like Brigitte Bardot on the other.

Islam is at the other extreme from the super-permissive West. Can Shia Islam help us save the West from itself? The threat of Islamic fanaticism may provoke the West to reconsider its current dogma of "tolerance." That might do some good. But Western tolerance, even in its current state of decadent permissiveness, is not all bad. So far, most Western nations are still more tolerant of Christianity than most Muslim nations are. How much freedom do Shiite regimes like Iran allow Christians--to worship in public, to practice the tenets of our faith, to seek and receive converts to our faith (even from among Muslims)? I don't know, but I'd like to know before I take the Shiites as my best friends. Is there any realistic possibility of a tactical alliance between Christians and Shiites? At the moment, it doesn't look like it. After the United States finishes destabilizing Syria, it will move on to crush Iran. Before the Americans are through, they (we) will have converted most of Islam to the sect of al-Qaeda.

Roderic L. Notzon
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REVIEWS

Has the Church Changed Her Teaching on Usury?

MICHAEL HOFFMAN, *USURY IN CHRISTENDOM: THE MORTAL SIN THAT WAS AND NOW IS NOT* (COEUR D'ALENE, IDAHO: INDEPENDENT HISTORY AND RESEARCH, 2013) ISBN: 978-0-9703784-9-1

The first 137 pages of Michael Hoffman's book contain an excellent explication and historical defense of the Church's dogmatic teaching against usury—properly defined as the taking of *any* interest—but by page 147 the same author has condemned as heretics Pope Leo X and the entire Roman Catholic Church's hierarchy from the year 1515 until today, by claiming that the Church has changed her teaching on usury rather than recognizing that there has been legitimate doctrinal development on the subject.

Hoffman's book has already begun to cause a stir among Catholic intellectuals—not because his conclusion is correct but because it appears to be correct. The vast majority of Catholic intellectuals alive today (although, thankfully, it is becoming a shrinking number) believe that the Church teaches that earning a moderate amount of interest on a loan is morally acceptable. They believe that usury is defined as “excessive interest,” and think of loan sharks as usurers and possibly some credit card

rates as usurious, but that is about all. The current economic crisis has led a great number of them to question this, but very few of them have analyzed the Church's teaching on usury in any thorough manner. Hoffman has. Unfortunately, upon reading Hoffman's book, this group of people will come to the clear and correct conclusion that 1) the Church indeed once taught that usury is the taking of *any* interest, but they will also conclude erroneously that 2) the Church has changed her position on this issue.

To some, particularly those on the left, the idea that the Church has changed her position on an important issue will be a trump card: if she has changed her teaching on usury, then she can change her position on contraception, divorce, premarital and extramarital sex, women priests, homosexual behavior, and so on. If the left-wing dissenters can show that the Church has changed her teaching on any major doctrinal issue, they can use this change in teaching as a weapon to force the Church to adopt their agenda on other, primarily sexual, issues.

Of course, that is not what Hoffman intends. Quite the opposite, he wants the Church to come to her senses and to restate its age-old teaching that the taking of any interest is usury. He wants the Church to recognize the seriousness of this issue and to deny once again the Eucharist to unrepentant usurers; he wants the Church to refuse once more to grant usurers absolution unless and until they make restitution for their usurious gains; he wants the Church to again deny them Christian burials unless they have made restitution to all from whom they have obtained unjust gains. He wants the Church to return to what she has said at multiple ecumenical councils: that usury, defined as the taking of *any* interest on a loan, is immoral, and that there shall be no exception to this moral law; all who oppose it shall be excommunicated.

As radical as the statements of the last paragraph may seem, Hoffman is correct in claiming that this is what the Church taught. And Hoffman is correct in claiming that she taught and acted in this manner for the first 1500 years of Her existence. It was common practice for the Church to deny usurers Christian burials, and the Church denied absolution to usurers until Pope Pius VIII issued a ruling on August 18, 1830, that directed priests to grant absolution to Catholics who persisted in accepting interest on loans of money at the rate set by the government. Subsequent rulings released Catholic usurers from the obligation to confess taking interest at the rate considered legal by the state. Today, some governments have completely abolished usury laws, so now any interest rate is allowable. Consequently,



it appears that even a loan shark need not confess for charging 400 percent interest, let alone promising to stop his behavior, and God forbid that he be required to make restitution! Today, usurers are no longer denied communion, and they are allowed Christian burials without having to make any restitution whatsoever for their usurious gains.

To say the Church has changed her doctrine is a serious charge. Accordingly, I felt compelled to email Michael Hoffman for clarification. When asked: “Do you believe that Church leaders have simply shirked their duty to teach the infallible truth or do you believe that the Church has formally changed her doctrine as to what she teaches is true?” Hoffman replied: “The allowance for usury and usurers in good standing in the post-Renaissance Church of Rome cannot be merely a sin of omission. This is not a matter of failure to enforce a dogma, it is the active overthrow of the dogma. The rulings of the Holy Office and Penitentiary in the nineteenth century, beginning with the Pontificate of Pius VIII and his bull *Datum in audientia* of Aug. 18, 1830, granted absolu-

tion to usurers who intended to persist in their usury. The 1917 Code of Canon Law promulgated by Pope Benedict XV, which went into effect May 19, 1918, declared, “in the loan of a fungible thing, it is not by it-

self illicit to reap a legal profit.” The 1983 Code of Canon Law, promulgated by Pope John Paul II in canons 1294 and 1305, repeats the permission for usury granted in the 1917 Code and exceed it by requiring clerics in charge of church funds to invest them profitably at interest.

Like John T. Noonan, whose famous book *The Scholastic Analysis of Usury* comes to the same conclusion, Hoffman claims that the

Unfortunately, Hoffman seems unaware of the gravity of the charge he levels against the Church. If the Church once taught that X is wrong and now teaches that X isn’t wrong, then the gates of hell have prevailed against her. This is what it means for the gates of hell to overcome the Church: for her to once have taught the truth and now to teach a lie. Satan is the father of lies. If the Church were ever to teach a lie as the doctrine of the Church, the conclusion is inescapable. It means that she had been overcome by the gates of hell. This charge is not only serious, it is of the utmost seriousness; nothing can be more serious, for if Hoffman is right, then Jesus’ promise that the gates of hell will never overcome his church either is false or the Catholic Church is no longer the Church of Christ.

If Hoffman is right, then we would all need to become Protestants. In his book Hoffman claims that the Catholic Church began to reject her traditional doctrine

To say the Church has changed her doctrine is a serious charge

Church has changed her position on usury. Hoffman, however, is the first to recognize that the age-old teaching on usury is correct and yet conclude at the same time that the Church has changed her view. All of the others, Noonan included, see little wrong with moderate amounts of usury and are happy to see that the Church no longer teaches against it.

at the time of the Renaissance—precisely when the Protestants began to protest. Further, Hoffman claims that the early Protestants—Luther and Calvin—held to the traditional Catholic teaching on usury while the Church was going astray. To Hoffman then, the Protestants are (well, not ‘are’ but ‘were’; for Protestants, with the exception of a small minority, no



longer oppose usury) right and the Catholic Church is wrong, at least with respect to this issue.

However, a closer analysis of this supposed “rejection” of doctrine reveals otherwise. While Hoffman’s historical documentation is impressive, he makes several unfortunate technical mistakes (perhaps resulting from his lack of formal training in finance) that undermine his conclusion. Ultimately, the Church has not changed her view on usury; she has simply engaged in legitimate but sophisticated doctrinal development. And, sadly, with the loss of the Church’s influence on the laws of society, which now have legalized usury, it appears in practice that the Church is lax in enforcing her teaching, but in reality she hasn’t. In principle, the changes that have taken place over the centuries can be understood as her way of wrestling with the reality of a world in which usury permeates almost all of society.

INTEREST IS IMMORAL

First, Hoffman correctly understands that Catholic doctrine

defines usury as the taking of *any interest*, and that this definition is not just a pious teaching but formal doctrine, the formal teaching of the Magisterium. He cites many sources in his book to prove this point. I will quote from the Old Testament and five ecumenical councils:

If he has not exacted usury Nor taken any increase, But has withdrawn his hand from iniquity And executed true judgment between man and man; If he has walked in My statutes And kept My judgments faithfully — He is just; He shall surely live!” Says the Lord GOD. (Ezekiel 18:8-9)

If he has exacted usury Or taken increase — Shall he then live? He shall not live! If he has done any of these abominations, He shall surely die; His blood shall be upon him. (Ezekiel 18:13)

Because many of the Ecclesiastical Order, being led away by covetousness and desire of base gain, have forgotten the Holy Scripture which saith, ‘He gave not his money upon usury,’ do exercise usury, so as to demand every month a hundredth part of the principal,

the holy synod thinks it just that if any take such use, by secret transaction, or by demanding the principal and one half of the principal for interest, or contrive any other fraud for filthy lucre’s sake, let him be deposed from the clergy and struck out of the list. (Council of Nicea, Canon XVII. [325]).

Nearly everywhere the crime of usury has become so firmly rooted that many, omitting other business, practice usury as if it were permitted, and in no way observe how it is forbidden in both the Old and New Testament. We therefore declare that notorious usurers should not be admitted to communion of the altar or receive Christian burial if they die in this sin. Whoever receives them or gives them Christian burial should be compelled to give back what he has received, and let him remain suspended from the performance of his office until he has made satisfaction according to the judgment of his own bishop. (Third Lateran Council, Cannon 25. [1179]).

Desiring to check the canker of usury which devours souls and exhausts resources, we command that the constitution of the Lateran Council against usurers be inviolably observed under threat of divine malediction.... (Lyons II, the Fourteenth General Ecumenical Council of the Catholic Church [1274], Constitution #26.)

If any shall obstinately persist in the error of presuming to affirm that the taking of usury is not a sin, we decree that he shall be punished as a heretic. (Council of Vienne, [1311]).

To this class also belong the usurers, the most cruel and relentless extortioners, who, by usuries, plunder and destroy their miser-

able people. Now, whatever is received above the principal, be it money, or anything else that may be purchased or estimated by money, is usury; for it is written thus in Ezechiel: "He hath not lent upon usury, nor taken any increase" (Ez 18, 17); and in Luke our Lord says: "Lend, hoping for nothing thereby" (Luke 6:35). Even amongst the Gentiles this was always considered a most grievous and most odious crime; and hence the question, "What is usury?" which was answered by asking, "What is murder?" For they who lend at usury sell the same thing twice, or sell that which has no existence. (Catechism of the Council of Trent, Question XI).

To take usury for money lent is unjust in itself, because this is to

to sell wine separately from the use of the wine, he would be selling the same thing twice, or he would be selling what does not exist, wherefore he would evidently commit a sin of injustice. On like manner he commits an injustice who lends wine or wheat, and asks for double payment, viz. one, the return of the thing in equal measure, the other, the price of the use, which is called usury. (Thomas Aquinas, *Summa*, 2.2 #78.)

Although some of these quotes do not specifically define usury, the Council of Trent does, as did Aquinas, and the book of Ezekiel. They all make it clear that, in a loan contract, receiving anything beyond the return of the principal is usury. If the statements of no less than five ecumenical councils plus the Old

Lombard, St. Bernard, Pope Urban III, Pope Alexander III, Pope Innocent IV, Pope Clement V, St. Anselm, St. Albert the Great, St. Bonaventure, Henry Goethals of Ghent, Alexander of Alexandria, Pope Gregory IX, and, of course, St. Thomas Aquinas. 1 We can list many more, but you get the idea.

Hoffman's opposition to usury is absolutely correct. He may be receiving criticism for his position in this regard by those who believe that a moderate amount of interest is licit, but that would be unwarranted.

But, wait, you may say. Didn't Christ allow the taking of interest in the Parable of the Talents? (Luke 19:12-24). The Parable of the Talents, in this regard, is one of the most frequently misunderstood passages in all of scripture. Hoffman gets it right here too:

The substantive point of the parable is that Jesus' statements are made in reply to the mentality of the servant who called him a 'hard man'. The servant is terming his master, Jesus, a hard, ruthless man. The advice to put money at interest is based on an if/then proposition. The wicked servant had slandered his master in a feeble attempt to justify his own laziness. *If Christ is a cruel master*, then the servant is justified putting the money at interest. The parable is not advocating usury, it is giving a lesson in the evil effects of being imprisoned by one's own bad thoughts. The key to understanding the parable may be found in Jesus' statement in Luke 19:22 'By your own words I will judge you, you worthless slave...' 2

Hoffman then says where he thinks things went wrong is a misunderstanding of Deuteronomy.

Catholic doctrine defines usury as the taking of any interest.

sell what does not exist, and this evidently leads to inequality which is contrary to justice. On order to make this evident, we must observe that there are certain things the use of which consists in their consumption: thus we consume wine when we use it for drink and we consume wheat when we use it for food. Wherefore in such like things the use of the thing must not be reckoned apart from the thing itself, and whoever is granted the use of the thing, is granted the thing itself and for this reason, to lend things of this kin is to transfer the ownership. Accordingly if a man wanted

Testament aren't sufficiently convincing, we can add the writings of the following saints, Councils, and Fathers of the Church: Clement of Alexandria, Tertullian, St. Cyprian of Carthage, the Council of Elvira [306], the 12th canon of the Council of Carthage [345], the 36th canon of the Council of Aix [789], St. Jerome, Hilary of Poitiers, St. Basil, St. Gregory of Nyssa, St. Gregory of Nazianzus, St. Ambrose, St. John Chrysostom, Pope St. Leo I, St. Augustine, Charlemagne, St. Edward the Confessor -- King of England, King Alfred the Great, King St. Louis IX, Peter

You shall not charge interest on loans to your brother, interest on money, interest on food, interest on anything that is lent for interest. You may charge a foreigner interest, but you may not charge your brother interest, that the Lord your God may bless you in all that you undertake in the land that you are entering to take possession of it." Deuteronomy 23:19-20

Hoffman says: "For fifteen centuries this Bible passage was understood by the Church to mean exactly as it reads: zero interest on loans whether to the wealthy or the indigent. From the Renaissance onward, however, modernist heretics created two loopholes in Deuteronomy 23: that it only condemns high interest rates and that it only applies to the poor." 3

This writer agrees with Hoffman here. My disagreement is with his view that the Church has changed her doctrine on usury. The Church herself has not become heretical.

THE ISSUE

Usury is a simple subject at its core, but when real-life examples are analyzed, it can get quite hairy to determine if usury is involved or not. These complexities are the reality of life; they are not loopholes.

Nevertheless, the process of determining when usury is involved and when it is not involved can be simplified. One important principle and two critical questions are all you really need to apply to real cases to determine if the lender is charging usury. The Principle: In a *mutuum* (the loan of a fungible good like money), the lender has the right to be made whole but no more. The Questions: 1) Including the extrinsic titles, is the lender be-

ing made more than whole? The amount owed must be no more than that which makes the lender whole. (This sounds simple enough in theory, but in practice, when multiple contracts are involved, it isn't always clear what constitutes being made whole, as the next sections' examples will reveal.) 2) What does the lender do if the borrower cannot pay, or cannot pay on time? If the lender increases the amount owed automatically, solely due to the inability to pay on time, then that is usury. (This is always clear, both in theory and practice, as we shall see.) I find it more appropriate to call the automatic increase in time period 2 from what was owed in time period 1 'usury', and I like to call the excessive amount owed in period 1 an unjust price. Historically, however, the term 'usury' was applied to both, and so we shall use it here. It is the difficulty in determining when an unjust price is being charged that led to a lot of confusion. 4

Hoffman believes that the Church started to get loose with her doctrine on usury with the permission of the first *Montes Pietatis* in 1462, and, formally changed her teaching with the Bull *Inter multiplices* issued by Pope Leo X and approved by the 5th Lateran Council (1512-17) on May 4, 1515, with only one dissenting vote and one abstention.

In his Bull *Inter Multiplices*, Leo X stated that it was acceptable for the *montes* to charge "borrowers a moderate fee to cover the expenses of salaries and upkeep of the facilities, provided no profit is thereby made." 5 A 5 percent fee was generally considered acceptable compensation to cover these costs. Hoffman seems to think that "Pope Leo

X officially promulgated, for the first time in the history of the Roman Catholic Church, the lawfulness of interest-bearing loans, for charitable purposes." 6 And, from Hoffman's point of view, it was all downhill from there.

The real question is whether Hoffman's interpretation of *Inter multiplices* is correct? Is charging *fees* to cover the operation costs of the *montes* the same as charging *interest*? At first glance, it does appear that more than the principal is being returned to the lender. Careful examination of the facts, however, reveals otherwise.

The *montes* operated as pawn brokerages. Essentially, someone in need of money brought a valuable item with them and received a loan roughly equal to 2/3rds of the value of the item pawned. If they never returned to retrieve their pawned item, they lost it. Or, more precisely, they sold it for 2/3rds of its market price. There was no interest being charged on the money borrowed. The lenders did not wait for interest to accrue year after year and exceed the value of the pawned item and then seek to obtain more money from the borrower. Such did not occur. So, essentially, the loan wasn't really a loan of money at all. *It was a sale agreement with the option to repossess.* The illiquid items were purchased from those in need of money, and then stored in a secure place. They were not used because the 'seller' wanted the right to repurchase them at the same price within, say, a year's time. The 5 percent fee that was paid in addition to the purchase price was a fee to cover the cost of storing the pawned item. It was a fee that covered the expenses of the people who ran the operation, including the

expense to keep the inventory and to store the item in a secure place. When we see the operation of the monte de piedad from that perspective, what is wrong with it? There is no interest involved here. 7

For completeness, there are two separate contracts: 1) A sale contract; 2) An option, but not an obligation, to repurchase the sold item. In analyzing whether either of these two contracts contains usury we need to ask: Is buying something for 2/3rds of its market price a Just Price? And what is the Just Price for a storage fee?

JUST PRICE

The sale contract must not violate the Just Price. On its face, the offer to purchase an illiquid item at 2/3rds of its market price does not violate the Just Price. It takes time and effort to find a willing buyer at the market price. For someone to guarantee 2/3rds of that price without the seller spending such time and effort on marketing, advertising, and sales expenses is not unreasonable. For the *montes* to turn a profit, they would have to spend time and effort to find a buyer willing to pay more, and there is no guarantee that such a buyer could be found, or that, if found, that he would be found at a cost of time and effort that would be less than the difference between the sale price and the 2/3rds of the estimated market price such that a profit could be made. Hence, the first contract—selling the pawned item to the *montes* at 2/3rds of its market price does not violate the Just Price. To absolutely guarantee that it did not violate the Just Price, the unredeemed items were sold at public auction (thereby minimizing

the marketing and selling costs), and if the price obtained for it was greater than the loan plus the fees owed, the surplus was made over to the owner. 8

It is also licit to charge a fee for the option to buy something at a specified price for a given period of time. Such options have real value. 9 The pawn broker, by offering the option to repossess, is giving up all other uses he might have for the item. It means that he cannot use the item; he must store it. And, it costs him to store the item. So it must be legitimate for him to charge a storage fee as the price for the option, but not the obligation, to repurchase the item. However, this fee cannot be exorbitant. It cannot violate the Just Price. It must be roughly equal to what it costs to store the item. In theory, that sounds simple. In practice, it is complicated. The cost of operating the storage center consists in some fixed costs and some variable costs. To the extent that some costs are fixed (like a monthly rent and the heating bill), the licit fee to charge on any item stored would be a function of the total number of items being stored. The more items stored, the lower the fee per item. But one does not know in advance how many items will be pawned. So one does not know what percent of these fixed costs to allocate to this particular pawned item. Hence, one does not know with precision what the Just Price is for this option contract.

We now begin to understand the complexity of determining when usury exists and when it does not exist. What is a fair storage fee? The answer is not clear in practice. In theory, the sum of all storage fees should not exceed the cost of

operations, fully counting all costs. But, what are the full costs? It is not clear.

Leo X explicitly said that no profit could be earned by the *montes*, but it is impossible to determine, in advance, what size fee will lead to a profit. In theory, neither the sale contract nor the option contract can violate the Just Price. If the borrower is either selling his pawned item for too little or is paying too much for the option to repossess, it could amount to bringing usury in through the back door. But, in practice, how is one to determine whether an unjust price is being paid? It isn't easy. In practice, the cost of running the institution may be relatively fixed, but how to allocate those costs to the loans being made would depend on the number of loans and the size of those loans. In advance, these numbers are not known. And so, in advance, it isn't known precisely what the fees should be for any given loan. In practice, a 5 percent annual fee for the option to repossess was allowed by Leo X. This seems very reasonable. Further, at the end of each month, or of each year, the net profits were applied to the capital, and if they were considerable, then the 5 percent fee would be lowered. 10 In doing that, it was assured that no profit would be made over the long run. 11

Before we move on, let's address one crucial point. Suppose the borrower wants to extend the time of the loan, i.e., he wants to extend the time on his options contract to repurchase his pawned item. Can the *montes* licitly charge another fee, such that it amounts to 5 percent *per year*? Well, the salaries and the upkeep of the storage center are

yearly charges. So, one would logically say, yes. The *montes* needed a certain amount per year in order to cover its costs, and so it can licitly add 5 percent per year for each year that the borrower wants to maintain the option to repurchase his pawned item. So, for example, if the *montes* paid \$1000 for his pawned item, the borrower would need to pay \$1050 within the first year to recover his item, or \$1100 within the second year. Basically, there is a \$50/yr storage fee being charged.

The crucial point is this: fees are not equivalent to interest, and there is no compounding involved in fees. There are no late fees on the fees, for that would be compound interest. In other words, the *montes* may not licitly do the following: ask for \$1050 after the first year and then 5 percent of \$1050 added on for the second year, for a total of \$1102.5. The extra \$2.50 is usury. It is not necessary to cover the costs of running the business. Assuming little has changed from year 1 to 2, the cost of running the business, including salaries, remains the same. Therefore, in order to be made whole, the *montes* may only charge \$50/yr. (We are assuming a world without inflation in this analysis for simplicity.) Compounding fees on fees is, always and everywhere, usury.

At the time Leo X issued his Bull, different *montes* engaged in different practices. Some of these practices were clearly immoral. This explains why the debate about the morality of the *montes* was fierce. There were excommunications going both ways. The smartest intellectual minds of the Church were devoting their hearts and minds to this issue. There were good and

holy men on both sides.

Some *montes* actually took deposits and paid interest on them.¹² Such interest can only be paid from profits, or from fees *in excess* of what was needed for the salaries and upkeep of the facility. This was not what Leo X approved of in his Bull.

Leo X did not say that of all the practices of every *montes* in existence at that time were licit. He approved of something very specific: a pawn broker can charge a fee to give the seller the right to repurchase the pawned item; that fee may be of such size that it covers his cost of doing business including the cost of storing the item, which can include a reasonable salary for himself. In practice, this fee amounted to 5 percent of the pawned price. Not 5 percent compounded, but 5 percent of the pawned price each year. If the 'borrower' never returned to repossess his pawned item, *nothing* would happen to him. He just loses his pawned item. They didn't go after him and throw him in debtors prison until he paid up what he owed; they didn't compound the fees over time. He just lost his pawned item. Or, possibly, they extended the time at which he can repossess it in exchange for an additional option fee and/or storage fee. This is not usury.

It is true that it is far better for someone to err on the side of caution than to allow usury. If people were to act as Hoffman desires, they would not be committing sin; contrarily, if people continue to lend money at interest as most of our economy is based on debt, sin abounds. Nevertheless, if something isn't immoral then the Church should not be teaching

that it is, and this is the question that Leo X had to deal with. To put this issue finally at rest, Leo X "ordered the excommunication of all those who publicly expressed doubts concerning his judgment" on this issue. 13

HOFFMAN ON EXTRINSIC TITLES

Hoffman's opposition to the *montes* led me to ask him whether he thought that *all* extrinsic titles were invalid. His answer revealed a misunderstanding. In our e-mail exchange, I asked: "It seems that you want to deny the validity of all extrinsic titles. Is that a correct understanding of your position? I am confused because your book contains "A Sermon on Usury" by John Jewel that accepts certain extrinsic titles on page 368. Yet, you seem to deny them elsewhere, like with respect to the *montes*."

Hoffman's book, in Appendix II, contains A Sermon on Usury, given by John Jewel, the Anglican Bishop of Salisbury, England, that was published in 1583. It was reprinted six times right through 1847, so we can conclude that it was a popular homily. Hoffman, who cites it favorably, replied as follows:

With reference to extrinsic titles, notice the two caveats that Jewel insists upon. 1. Referring to a fee for damages related to the late payment of a loan as "interest," Jewel states, "no man may excuse his usury by the name of interest...." In other words, no lender may gain a profit from a loan by charging fees that substitute for an interest rate. 2. Jewel rightly defines usury thus: "there is never usury without loss" (to the borrower). In all cases where a borrower repays a loan

on time and in full, any charge of any kind beyond the return of the principal represents a profit to the lender and a loss to the borrower and constitutes usury. The rabbinic-style loopholes around the infallible Catholic Church dogma of what constitutes usury, are the “extrinsic” titles which, under this and other deceptive euphemisms, in most cases lead to profit on a loan at the expense of the borrower.

Let us quote an important part of Jewel’s sermon, on page 368, where he allows for the extrinsic title elsewhere called *Damnum emergens*, which in English means ‘emergent loss.’ He differentiates between ‘interest’ (as that term was historically defined, *not* as it is currently defined) and ‘usury.’ The distinction between *interesse* and *usura* was well established historically. The historical understanding of *interesse* or ‘interest’ was *payment for loss*. The modern understanding of interest is payment for time. Sometimes, ‘interest’ is currently used as payment for risk of loss. In that sense, it is similar to the historical understanding of the term. Jewel:

I lend my neighbor twenty pounds until a day. He has it freely and friendly without any usury. Yet, I say to him: Neighbor, you must needs keep day; for the next day after I must discharge a paid, I stand bound for payment. I have no more but this which you borrow. If I miss, I forfeit five pounds. I pray you be careful for it. The day comes, my neighbor comes not: I lack my money, and, because I lack it, I lose five pounds. He comes afterward and offers me my money.

Then I say: Neighbor, I have lost five pounds by your negligence and slackness: I hope you will not suf-

fer me to be a loser for my gentleness. This is interest [as that term was historically defined], it is no usury. Here, by the way, you may learn wherefore it is called interest, because he may say “*Interfuit mea habuisse*,” “It behooves me, it stood me upon to have it,” and now by your default I sustain loss.

It is good to know the one from the other. This kind of dealing is interest, and not usury.

In usury I seek to be a gainer: in interest I seek only to be no loser; gain or profit I seek none. And hereof I may lawfully seek to be answered: it stands with equity and conscience and good reason. This is interest, and no usury, that a man who requires no gain should seek to save himself harmless.

Bear patiently with me if I be long. My desire is that you should understand this whole matter, and be able to know one thing from another; that so no man may excuse his usury by the name of interest; 14 (emphasis mine.)

It is clear from the context of this whole passage that Jewel recognizes the licitness of charging interest (as recovery of loss) but not of charging usury (profits) on a loan. In other words, he recognizes the validity of the extrinsic title traditionally called *damnum emergens*. Hoffman’s quote of Jewel saying ‘no man may excuse his usury by the name of interest’ in his e-mail to me does not mean what Hoffman implies it means. Hoffman seems to imply that what Jewel is calling interest is in fact usury, but that is precisely the opposite of what Jewel is claiming. Jewel provides a real example of *damnum emergens* (what he calls interest/recovery of loss) and then proceeds to say that one cannot claim *damnum emergens* when one

is actually seeking usury/profits. In other words, calling something interest (*damnum emergens*) does not make it so. If it is usury then it is usury and calling it something else does not change the reality of the situation. But Jewel does not deny the existence of real cases of *damnum emergens*, nor the licitness of asking for such in addition to the amount lent. Hoffman seems to have misunderstood this point.

Hoffman says that “In all cases where a borrower repays a loan on time and in full, any charge of any kind beyond the return of the principal represents a profit to the lender and a loss to the borrower and constitutes usury.” I agree, but that says nothing about the case where a borrower pays back late, as in the case of Jewel’s example, nor does it say anything about related contracts that produce extrinsic titles. Hoffman should have said that extrinsic titles that result in profit to the lender are usury, but other extrinsic titles that simply make the lender whole—as in the case that Jewel speaks of on page 368—are acceptable. But, instead, Hoffman seems to think that extrinsic titles are ‘rabbinic-style loopholes’ around the infallible Catholic Church dogma.

USURY AND EXTRINSIC TITLES

An extrinsic title is a title to some return related to an extrinsic contract, i.e., a contract separate from the loan contract. People have the right to make separate contracts. The loan contract cannot return more to the lender than the amount lent or it would be usury. But, as we see with the examples above, there can be other things

going on that are either different than a loan or that redefine what is actually being lent. In the *montes* case, it wasn't even a real loan. It was a sale contract plus a separate option contract. One has a right to charge for the option to repurchase a sold item at the previously sold price, and that fee can be over and above the resale price.

In Jewel's example, it appears that money is being lent but that's not really the contract. The contract really amounts to: "I owe \$X to Mark. I am not really lending John \$X; I am lending John what I owe to Mark. In other words, at the outset of the contract, John agrees to take on my debt to Mark in exchange for my giving John \$X now, which is precisely what I currently owe Mark. Right now, if I don't lend the money to John I can pay Mark in full with the \$X. So, I am lending John my full payment to Mark. So, my contract with John is that he agrees to take on my debt to Mark. When John ends up paying me late and I end up owing Mark five dollars more, it is actually costing John five dollars more because he has agreed to take on my debt to Mark." That is not usury. The contract is one of equivalents: I lend John my debt to Mark in exchange for John paying my debt to Mark.

Other situations will bring forth different extrinsic titles. Behind all legitimate extrinsic titles is the principle that the lender has the right to be made whole. Justice concerns both the borrower and the lender, not only the borrower. The borrower should not be made to pay interest, but the lender has the right not to suffer a loss. Hoffman seems to only be concerned with justice for the borrower.

VIX PERVENIT

Hoffman is equally critical of Pope Benedict XIV's encyclical on usury written in 1745 titled *Vix Pervenit*. He says:

In *Vix Pervenit* Benedict XIV expanded Leo X's promulgation of the lawfulness of charging interest for philanthropic ends, to include the lawfulness of interest on investment credit capital. While *Vix Pervenit* is often cited, by the semi-literate, as a reaffirmation of the magisterial pre-Renaissance dogma on usury, such claims represent an intellectually lazy failure to note and comprehend *Vix Pervenit's* 'fine print.' After many anti-usury rhetorical flourishes throughout the document, the technique of the devolutionary degradation of God's law through gradualism was deployed with the following subtle papal statement:

"We do not deny that at times together with the loan contract

when he references these other titles "not intrinsic to the contract." It is *not* the case that Leo X promulgated the lawfulness of charging interest (as we showed above), and it is *not* the case that Benedict XIV allowed the lawfulness of interest. If you read the rest of the encyclical, that should be pretty clear.

Hoffman's critique of *Vix Pervenit* enlists the work of Msgr. John Ryan. In no way does *Vix Pervenit* support Ryan's statements. John Ryan may have been a Distributist and a good Catholic, but he obviously knew little about usury, and his views do not represent the doctrine of the Church. Unfortunately, Ryan is the source of a very fundamental mistake. On page 381 Hoffman quotes Msgr. Ryan as saying: "Benedict XIV's encyclical, *Vix Pervenit*, in 1745... refrained from condemning interest received from investments (loans) in productive property... this is good logic and common sense." Well, John

Hoffman is equally critical of Pope Benedict XIV's encyclical on usury written in 1745 titled *Vix Pervenit*.

certain other titles—which are not intrinsic to the contract—may run parallel with it. From these other titles, entirely just and legitimate reasons arise to demand something over and above the amount due on the contract." 15

In light of the discussion above, the reader ought to understand what Benedict XIV is talking about

Ryan failed to distinguish between an investment and a loan and as a result entirely misunderstands *Vix Pervenit*. *Vix Pervenit* indeed allows one to make *profits from investments* but specifically and directly says that one cannot earn *interest* on a loan even when the loan is made to a business seeking profits. *Vix Pervenit* 3.2 states:

II. One cannot condone the sin



of usury by arguing that the gain is not great or excessive, but rather moderate or small; neither can it be condoned by arguing that the borrower is rich; nor even by arguing that the money borrowed is not left idle, but is spent usefully, either to increase one's fortune, to purchase new estates, or to engage in business transactions. The law governing loans consists necessarily in the equality of what is given and returned; once the equality has been established, whoever demands more than that violates the terms of the loan. Therefore if one receives interest, he must make restitution according to the commutative bond of justice; its function in human contracts is to assure equality for each one. This law is to be observed in a holy manner. If not observed exactly, reparation must be made.

Msgr. Ryan is further quoted as saying: "If it is right for the stockholder of a railway to receive dividends, it is equally right for the bondholder to receive interest." He is totally wrong about this. A stock does not equal a bond. The stockholder is taking a risk that he could

lose money, even his entire investment. If the bondholder is taking no risk (as is the case with many collateralized loans, and is particularly the case with government bonds denominated in a currency that the government can print at will) then he has no right to a return above the principal. If the bondholder is tak-

ing a risk, then he is only entitled to a fee equal to what an insurance company is charging him to cover against that risk of loss. This is the extrinsic title called *periculum sortis*. There is no net gain to the lender; this simply makes him whole.

Ryan further says "If it is right for a merchant to take from the gross returns of his business a sum sufficient to cover interest on his capital, it is equally right for the man from whom he has borrowed money for the enterprise to exact interest...." Well, in both these cases taking interest is wrong, so the "if it is right" is wrong to begin with, and so the conclusion is obviously wrong.

INVALID EXTRINSIC TITLES

I should not be overly critical of Hoffman because his underlying critique is correct, even while his conclusion is wrong. He is correct in claiming that, over the past few centuries, corrupt people have pushed usury through the door of a bogus extrinsic title. *Lucrum cessans*, properly defined, and the way

it has most often been used, is not a valid extrinsic title; it is usury. *Lucrum cessans* means cessant gain, or a gain that you would have had but you no longer have because you lent the money instead. It was applied to situations where people sold a stock with, say, a 5 percent dividend in order to make a loan. The lenders then claimed that they could licitly charge 5 percent on the loan because they gave up a 5 percent return. But this completely neglects both the fact that dividends are not guaranteed and the fact that the price the lender received upon selling shares of a company already contains, within that price, the expected future dividend payments. To ask for a dividend on top of that price is charging for the same thing twice.

Hoffman provides a great critique of *lucrum cessans* from another book that is worth quoting:

"What if the borrower is an incompetent businessman, while the lender could quite reliably have turned a profit with his money somewhere else? This argument Thomas [Aquinas] rejects, again because of its presumption. This is the notion of *lucrum cessans*, the notion that a lender has a title to compensation beyond the principal for forgoing the gain he *might* have otherwise made with his money... The reason Thomas finds it presumptive is that, unlike a risky investment, a loan involves a contract obliging the borrower in advance to compensate the lender for a potential gain the actual realization of which could only be determined by waiting to see...however reliable the alternative investment, it would involve vulnerability to the contingencies of the unfolding of God's provision, a vulnerability

that *lucrum cessans* circumvents. To establish a title to such wealth irrespective of the actual possibilities and provisions the future may turn out to hold, is to set up an artificial invulnerability.... One contemporary manifestation of this drive toward invulnerability is the imperative 'to convert wealth into debt in order to derive a permanent future income from it -- to convert wealth that perishes, into debt that endures, debt that does not rot, costs nothing to maintain, and brings in perennial interest.'" 16

Hoffman is right that *lucrum cessans* is usury. The principle is that, in a *mutuum* contract, the lender has the right to be made whole, but no more. Is the lender just being made whole in this case? No, the lender is insisting upon a gain. That violates the principle and therefore is not a valid extrinsic title. Asking for a gain to cover *lucrum cessans* violates the Just Price.

If that isn't already sufficiently convincing, let's ask the second key question: what does the lender do if the borrower fails to pay on time? The lender adds his cessant gain to the principal owed, and then, for period 2, asks for a cessant gain on not only the original principal but also on the lost gain from the first period. After all, if it were truly a gain that he would have had at the end of the first year, then he could also have invested that gain for the second year and received a gain on that too. We can take this to its logical conclusion to show the ludicrousness of allowing *lucrum cessans* as an extrinsic title. If you borrowed 1 penny at the time of Christ from someone who insists that he could have earned 5 percent somewhere else and therefore insists upon charging you a 5 per-

cent rate of interest, and, if you failed to pay this back until today, the amount that you would now owe would be $1.05^{2013} = \$4.5 \times 10^{42}$ pennies, or $\$4.5 \times 10^{40}$ dollars, or more money than there is in the entire world. 17 God's providence does not provide for that kind of growth. No one who had one penny at the time of Christ could have invested it in a manner such that they would now own the entire world and more. Therefore, it is impossible for such to truly be the cessant gain of the lender. This is usury. Period. "If any shall obstinately persist in the error of presuming to affirm that the taking of usury is not a sin, we decree that he shall be punished as a heretic" Council of Vienna (1311).

Aquinas is right. One must wait for God's provision to manifest itself before insisting upon lost gains. Further, in today's financial markets, there is no cessant gain. *Expected future gains are built into the price of what you are selling.* Let's take, for example, a lender who owns stock in Exxon. Exxon currently offers a 2.75 percent dividend. The lender says to the borrower: All I have is stock in Exxon. In order for me to lend you money, I have to sell Exxon stock. I'm earning a 2.75 percent dividend. Exxon is one of the largest and most established companies in the world. Surely, it will continue to pay its 2.75 percent dividend each year. So, I can charge you that as interest on any loan I make to you because I will be losing that gain. This is completely wrong! Financial theory teaches that the price of a stock is equal to the net present value of the expected future dividend stream of the marginal shareholder. In other words, the 2.75

percent dividend *is built into the price of the stock!* So when you sell Exxon, you are getting full value for all expected future dividends. In asking for an interest payment on top of the full dividend-including price is double counting! As Aquinas says, it is asking to be compensated for that which does not exist. It may be true that Exxon's stock price one year from now will be the same as it is today after paying its dividend. But if oil prices drop, Exxon's stock price will be lower. And if oil prices drop enough, Exxon could stop paying its dividend completely. There is absolutely no assurance that the dividend will be paid while the stock price remains at the same level. There is the risk that either the stock price or the dividend payment, or both, will drop. Consequently, asking to be guaranteed an interest payment equal to the dividend payment is to ask to receive profit without risk while giving up potential profit with risk. That violates the Just Price. It is usury. 18

THE TRIPLE CONTRACT

As much as one may want to avoid it, invariably a discussion of usury will become a discussion of the Triple Contract. Triple Contracts are complicated and tedious to analyze; the eyes of the general reader may glaze over in this section. However, because Hoffman cites the Church's approval of certain Triple Contracts as proof of a change in doctrine on usury, an analysis is in order. For the record, The Church never formally approved of the Triple Contract. Even Hoffman admits that when "a special commission of Jesuits ...was instructed to present a report on



the morality of the German contract [another label for the Triple Contract] to the Fourth General Congregation of the Society of Jesus (1580) ... [they concluded that] profit would be legitimate only if it rested on one of the certainly moral entitlements such as *damnum emergens* This response showed that the commission considered de Clavasio and Eck [proponents of the Triple Contract] to have proposed a 'less probable opinion': this was not to be considered certainly immoral but at best suspect." 19 Even the Mainz faculty, who were supported by the Fugger usurers, couldn't conclude the validity of the Triple Contract and said: "Some of us are indeed able to hold and defend this (Eck's) position," 20 which clearly means that some were not able to hold and defend it, presumably those less willing to be influenced by money.

each year (or a 10 percent rate of return on his \$1 million) *provided that the business earns at least \$100,000 in profits*, otherwise 100 percent of the profits up to that point; plus B) a guarantee by the business that when it ceases to exist that the first \$1 million in sold assets will be given to him to cover his \$1 million investment. 3) The investor agrees to sell \$50,000 of his annual profits (so that he will now receive only \$50,000/yr, or a 5 percent rate of return on his \$1 million invested) to the entrepreneur personally in exchange for the entrepreneur personally guaranteeing both the other \$50,000/yr and the \$1 million of returned capital if the business cannot itself produce it.

The net effect of combining those three contracts appears to be a loan at 5 percent interest from

The Triple Contract is structured in somewhat different forms, one of which is this: 1) A partnership is established between the investor and the entrepreneur such that the investor invests, say, \$1 million in exchange for 50 percent of the profits of the business. 2) A second contract is made between them where the investor sells his 50 percent of the profits in exchange for A) a fixed \$100,000

the investor to the entrepreneur. It looks like a usury contract until we recognize that we need to ask whether the investor's capital is at risk or not. If it is not at risk (as it wasn't in the case of the *montes*) then there's no right to a return, and such Triple Contracts are usurious. If it is at risk, then there's a right to a return.

The question dealt with during the 1500s when the Triple Contract first was used, was whether each of these three contracts was licit. The first obviously is; the second, if it was written in the form indicated above (and many were not), also was licit; but the third contract is illicit in theory but, in practice, *might or might not* violate the just price.

The second contract, if written in the form above, is licit because the returns to the investor are contingent upon the success of the business. If the business earns \$500,000, the investor only gets \$100,000, or 20 percent of that, instead of the 50 percent he would have had if he only signed the first contract. But, if the business earns \$100,000 or less, he receives 100 percent of the profits of the business. If the business loses money, he not only receives nothing that year, but his \$1 million investment is at risk against those losses.

The second contract is akin to a preferred stock. A preferred shareholder invests a certain amount of money (say \$1 million) in exchange for a fixed dividend (say 10 percent) payable each year out of the profits, plus its initial investment retains a liquidation value at par against the assets of the company. 21 If the business does not earn sufficient profit, it may elect not to pay the preferred dividend,

but, typically, those unpaid preferred dividends accrue such that they must all be paid before the common shareholders can receive any dividend. But preferred shareholders may *not* force the business into bankruptcy to retrieve those unpaid dividends plus the return of its investment capital (as bond holders can do if a business misses a coupon payment on its debt). Moreover, if the business fails, the preferred shareholders do not have recourse to the entrepreneur's personal assets. In other words, they cannot pierce the corporate veil.

The third contract is where it gets sticky. First, he isn't selling half of his \$100,000/year, where the first \$100,000/year of profits now gets split between him and the entrepreneur; he is selling the *second* half, such that if there are only \$50,000 in profits he gets them all. But, if there aren't at least \$50,000/year in profits, this means that he is *selling nothing*. And, to receive something for nothing is a violation of the Just Price. Since it is not known in advance whether there will be more than \$50,000/year in profits, it is not known in advance whether this contract violates the Just Price. But, in theory, contracts that *might* violate the Just Price are immoral and should be written differently. 22

Let me repeat: in this example, if the profits to the business do not exceed \$50,000/year then the investor/lender is selling nothing and receiving something (the guarantees that the entrepreneur has to personally fulfill) and that violates the Just Price. More generally, if the profits to the business do not exceed the 5 percent rate of return demanded by the investor, then this third contract violates the Just Price

and is null and void. If it turns out that the 5 percent rate of return exceeds 100 percent of the profits of the business, then *the investor does not have the right to demand that 5 percent rate of return*.

Moreover, the investor isn't entitled to *any* rate of return if his capital isn't at risk, for that would be usury, pure and simple. It would be at risk if it is understood that selling nothing for something violates the Just Price, for the something that he is seeking to receive in this third contract—and which is now null and void—not only constitutes the \$50,000/yr in profit, but also constitutes the *guarantee* that his \$1 million investment will be recoverable not only from the assets of the business but from the personal assets of the entrepreneur. So, if there are no profits over the \$50,000/year, he is not entitled to receive any guarantee on the recovery of his investment capital.

Furthermore, if the entrepreneur is unable to pay the \$50,000/year *and* the investor demands a 5 percent rate of return against those unpaid sums from previous years, such that last year's unpaid \$50,000 is earning \$2500 this year so that this year's payment is now \$52,500 instead of \$50,000, then this is compound interest and is, always and everywhere, usury.

If we structure the Triple Contract in this manner, *subject to these conditions and the risk of loss that are contained within them*, then and only then is it licit. *If any compounding of the gains is demanded it is usury; if any gains beyond 100 percent of the profits of the company are demanded it is usury; and if the initial investment capital is demanded back out of anything beyond the assets of the business itself, when the*

business has not received profits in excess of the 5 percent rate of return, all of which has gone to the investor, it is also usury. 23

To the extent that the business is able to pay the \$50,000/year out of its profits, no one is the wiser, but if it cannot, then what happens? The answer to this question will reveal whether or not the contract is usurious. If, for example, the entrepreneur is reasonably wealthy, he may be able to pay the \$50,000/year to the investor despite business losses for a couple of years and then, when the company begins to earn profits again that are far in excess of the \$50,000, he can repay himself and more. Such would not be required, but he could choose to do so. This would fall under what Aquinas calls a legitimate gratuity. But, if profits are below the \$50,000 and the \$50,000 demanded by the investor renders the entrepreneur destitute, or even if it prevents him from having sufficient income to enjoy a Just Wage, then demanding the \$50,000 is a violation of the Just Price.

Barring the case of compound interest which is always usury, the Triple Contract amounted to an annuity. It is similar to a rental contract. Instead of investing money directly, the investor could buy assets that the business needs and then rent those assets to the business. In that case, the investor would be entitled to an annual rent, but he would also have the risk of damage and depreciation of his capital asset, and, if the businesses suffers losses, he would also have the risk that the business may be unable to pay the rent or a portion thereof. In such cases, he would have the option of taking his asset back from the company,

but he would in no way have the right to access the personal assets of the business owner to demand that he pay back rents and cover for any depreciation that the asset has. If the Triple Contract is understood in a manner where the investor incurs all the risks of an owner of a capital asset (not that he is actually renting money, for that would be usury, but the true risks of a rental company including depreciation and damage risk, which does not occur with money) then it can be understood to be a valid contract. The Church has always accepted annuity contracts as being structurally valid.

RENTAL CONTRACTS

Then, as with all rental contracts, the question is whether the rate being demanded is a violation of the Just Price. The Just Price is a function of the Just Wage. To the extent that the business earns profits in excess of the annuity—taking into account a Just Wage for the entrepreneur and his employees—there is no problem with the annuity. To the extent that the annuity makes it difficult or impossible for the entrepreneur to pay himself and his employees a Just Wage (and this means taking into account multiple years of profits for one bad year does not make an annuity necessarily unjust), the price of the annuity is unjust. This says the same thing as the italicized paragraph above: the rent, over the long run, cannot exceed 100 percent of the profits of the company (as measured on a pre-rent and post-salary/wage basis) or it is unjust.

Further, in the situation where the business is closing shop, if the business does not have sufficient

assets to repay the investor's initial investment capital, repayment would depend on the other assets of the entrepreneur. To the extent that the entrepreneur paid himself handsomely out of the business' profits in the good years, those assets of his might be sufficient to cover the initial investment capital. In some such cases, if the investor is not repaid, it could be seen as a racket where the entrepreneur extorts all he can from the business and effectively runs away with the investor's money. Piercing the corporate veil and accessing the assets of the entrepreneur could be wise and just, depending upon the specifics. But, if the business was never a success, demanding repayment out of other assets of the entrepreneur, even if he is wealthy and can afford it, would be an injustice to him.

Dear reader, you can see how tedious this gets (and I have tried to simplify it). First and foremost, the above analysis reveals that there must be a risk to the investor/lender in order for him to licitly demand a return above his invested capital. Triple Contracts that are structured such that the lender/investor has no risk of loss of his invested capital are usurious contracts.

I will not discuss the Church's rather extended debate on the Triple Contract except to say that St. Alphonsus Ligouri offered the following helpful simplification: "Usury is interest taken where there is no just title to profit." ²⁴ I hope I have outlined the precise limits to the just title to profit: it cannot be more than 100 percent of the profits of the business, where profits are calculated *after* paying a Just Wage; and the return of one's investment capital can only be out of the assets

of the business, taking due consideration for the possibility that the entrepreneur withdrew an excessive amount for himself.

Although never formally pronounced as doctrine, ²⁵ the Church, in practice, began to allow a 5 percent rate of return in Triple Contracts. We need to object to this for three reasons. First, and most importantly, it does not distinguish between compound interest and simple interest, the former being usury at any interest rate. The failure to draw this distinction—what I have called the true distinction between 'usury' and 'just price violations'—is what has led to the economic crisis and sovereign debt crises that the world faces today. Economies do not grow at 5 percent compounded, so demanding it *mathematically guarantees* the ever increasing concentration of wealth into the hands of the rich.

Second, a 5 percent rate of return as an annuity is unjust to demand from less-profitable businesses. In many cases, there isn't a just title to that much profit. The rule of 5 percent is a simplicity that misses the realities of what is and what isn't licit, and it creates an adversarial relationship between 'investor' and entrepreneur.

Third, the Triple Contract and its 5 percent rate have been used as a justification for *lucrum cessans*, i.e., to justify erroneously a 5 percent loan to any business and government. This has been condemned by the Church.

But you must diligently consider this, that some will falsely and rashly persuade themselves—and such people can be found anywhere—that together with loan contracts there are other legitimate titles

or, excepting loan contracts, they might convince themselves that other just contracts exist, for which it is permissible to receive a moderate amount of interest. Should any one think like this, he will oppose not only the judgment of the Catholic Church on usury, but also common human sense and natural reason. 26

The Triple Contract, understood in its licit fashion, is *not* a loan but an investment with the risk of loss. Bringing *lucrum cessans* in the back door has led governments to pay compound interest. This amounts to a racket by which the rich lend to governments who give that cash to the poor so that they can buy the necessities of life from those same rich (like paying them rents), and then the government demands that the taxpayers, mainly the middle class, pay back those loans plus interest. It's a process that milks the middle class until they become poor, and concentrates wealth further into the hands of the rich. Further, there is no justification to pay interest on risk-free loans, and a loan denominated in a fiat currency to a government that can print that fiat currency risk free. Any interest on such a loan is usury.

THE 19TH CENTURY

Ultimately, there are two main problems with Hoffman's position. First, he denies some extrinsic titles that are legitimate, as shown above. Second, he concludes that the Church has changed her doctrine on usury rather than concluding that she has developed the doctrine more fully, and, at the same time, because the social system has changed from being Catholic to being Capitalist, the Church has

had to make practical decisions on usury within an economic order that she would rather see changed at a fundamental level but does not have the power to do so.

Hoffman says: "The formal overthrow of usury dogma in the 19th and 20th centuries by Popes Pius VIII, Benedict XV and John Paul II, and the founding of the Vatican Bank in the 1940s by Pius XII, did not just arise out of thin air. As with the nullification in Judaism of the Old Testament Law of God by gradual Talmudic modification and evasion, the loophole for profiting from loans of money under the name "extrinsic titles" and similar escape clauses, contributed significantly to the erosion and the overthrow of the Church's dogma against usury." 27 I agree that extrinsic titles have been used wrongly, especially *lucrum cessans*, but, in principle, the concept of extrinsic

tion where the confession is being heard. The sum effect of this papal directive was that those who take interest on money according to the rate permitted by law 'must not be disturbed.' 28 More exactly, there was "confusion and divergence of policy among confessors [at that time], which arose from the differences of opinion among moralists regarding the justification of interest. This disquietude was ended by the issuance in the 19th century of some 14 decisions of the Congregations of the Holy Office, the Penitentiary, and the Propaganda stating that the faithful who lend money at moderate rates of interest are 'not to be disturbed,' *provided that they are willing to abide by any future decisions of the Holy See.*" 29 In other words, the Holy See punted. It said to leave these people alone for now until we have the time and the capacity to settle this

The Congregations of the Holy Office, the Penitentiary, and the Propaganda stated that the faithful who lend money at moderate rates of interest are 'not to be disturbed,' provided that they are willing to abide by any future decisions of the Holy See."

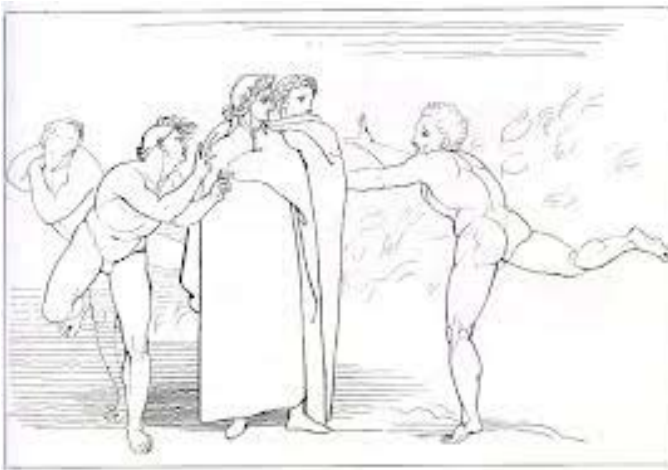
titles is not wrong.

Let us go through the rest of Hoffman's historical examples one at a time.

Pope Pius VIII ruled in 1830 that "the confessor must absolve a lender who intends to continue to accept interest that does not exceed the legal rate of interest of the na-

tion where the confession is being heard.

But it isn't like the Church to punt on a major issue. She has addressed heresies for 2,000 years and has never shied away from issuing dogmatic statements that were opposed by large constituencies. And with respect to this very issue of usury her doctrine was



clear: there can be no interest on a loan, although there can be various extrinsic titles. Granted, the issue of extrinsic titles got muddled with the Triple Contract and *lucrum cessans*, and that led to contrary opinions by various theologians. And, because the Church chose to settle usury questions on Triple Contracts on a case by case basis, they had too many cases to deal with. That left *Vix Pervenit* still standing as the dogmatic teaching of the Church. But why did the Church encounter too many cases? What was different this time?

What was different was not just that nations in the 19th century were no longer Catholic (they were not Catholic in the first three centuries either) but that they were Capitalist. Not only did governments legally allow people to earn interest on their loans, usury became all pervasive in society, which was never the case in an agrarian society. Both businesses and governments had to pay interest on any borrowed money because they competed for funds against other businesses and governments that were willing to pay interest (for better or worse). The laws of society were not following the teachings of the Church and allowing only

earn interest in modern societies, that would mean that others can borrow at 0% from Catholics and lend to the government at interest pocketing the difference, *while the Catholics are on the hook as taxpayers to pay the interest on the government debt!* Even if Catholics refuse to lend at zero interest (and invested in legitimate preferred stock instruments instead), they are still responsible for paying the compound interest on government debt. Further, since businesses borrow at interest, the prices that Catholics pay for goods are higher than they otherwise would be because businesses need to charge a premium in order to pay the interest on their debts. If Catholics are not themselves free to earn interest, over the long run, this mathematically guarantees that Catholics would become poorer and poorer relative to the rest of society. Since money is power, that means that there would be a smaller and smaller chance of ever restoring a Christian society to the Western world. This is a fundamental practical problem. And so, in her wisdom, the Church allowed Catholics to lend at the legal rate so as to minimize their suffering from the effects of usury that pervaded

contracts with extrinsic titles that were not usury. They were allowing usury, pure and simple. And so, from a practical perspective, if Catholics are not allowed to

society. She did not allow Catholics to lend at rates in excess of the rate that was legal, i.e., in excess of the rate at which they were being forced to suffer from. In other words, she did not allow Catholics to be net gainers in a usurious world. Allowing Catholics to earn the legal rate is justice; it is a form of restitution for the usury that they are being forced to pay by being a part of a society within which usury is pervasive.

DEUTERONOMY

Deuteronomy allowed people to lend money at interest to enemies. "You may demand interest from a foreigner, but not from your countryman..." (Deut 23:21). Hoffman describes this well:

The 'strangers' who are not to be oppressed in Leviticus are quite different from the 'foreigners' of whom we may take usury in Deuteronomy. In Leviticus the Hebrew term used is *ger*, and is sometimes given as 'sojourners'... The *ger* were what we usually think of today as an 'immigrant,' i.e. someone from another country.

The key distinction is that the *ger* were not hostile to the Israelites in whose land they dwelt. As a condition of residing in another land they agreed to abide by the laws of that land. Thus, ancient Israel accommodated non-Israelites so long as they lived according to the laws of God. On the other hand, the 'foreigners' spoken of in Deuteronomy were, as designated in Hebrew, *nokri*. In all usage of this term in the Old Testament, the *nokri* were wicked, detestable pagans, with whom God's people must not intermarry and whose gods they must not embrace. (Gen



35:2; Ex 23:23; Deu 17:15; Josh 24:23; I Sam 7:3; Neh 9:2, 13:3). Israel was dedicated to unrelenting warfare against the *nokri*. Usury is a weapon of warfare. 30

The pervasiveness of usury in modern Capitalist societies has effectively turned such societies into a war of all against all.

Despite knowing that Deuteronomy allowed people to charge interest against enemies, and despite also knowing that the modern world has been at war against the Church, for some reason Hoffman thinks that the Church's allowing Catholics to charge interest in the 19th century was an overturning of her infallible teaching against usury. Isn't it much simpler to recognize that her infallible teaching contains a Just War doctrine and that one is allowed to charge usury against those who have declared war against her? The Church didn't start this war; the modernists did. Doesn't the Church have the right to defend herself? 31

Hoffman says "Most Christians today would find it abhorrent even to consider mounting a holy war against enemies of our faith." 32 We are not speaking of mount-

ing a holy war against enemies; we are speaking of enemies who have mounted a holy war against the Church and asking whether the Church has the right to defend herself or whether she should just lie down and die. Furthermore, by limiting the interest that Catholics are allowed to take to the legal rate, the Church has decided *not* to engage in an act of war against the rest of the world (for a true act of war would allow Catholics to charge *any* interest rate); she has limited her members to take no more than what is required for restitution. 33

It is clear, therefore, that the practical decisions the Church ultimately reached were rooted in an attempt at justice. Governments were no longer following her teachings, and it was becoming impossible for Catholics to operate in society without being negatively affected by usury.

It is indeed true that many Church officials and Catholic intellectuals got confused by faulty applications of *lucrum cessans* and sought to find theoretical justifications for usury. *Nevertheless, the Church has never issued a dogmatic statement declaring a false*

extrinsic title to be licit. Therefore the Church has not formally overthrown her dogma against usury. As the Catholic Encyclopedia of 1917 says "The Holy See admits practically the lawfulness of interest on loans, even for ecclesiastical property, *though it has not promulgated any doctrinal decree on the subject*" (emphasis mine). 34 She has been and will be prevented from doing so by the Holy Spirit.

TWO WAYS

There are two ways to address the issue of all pervasive usury: 1) Seek to transform the global political economy so that it becomes Catholic once again; or 2) Create a parallel economy for Catholics where usury and other social ills do not exist. The Church did not want to give up on the world and separate from her. She has always sought to convert the world and so she chose the first path. Is Hoffman saying she should have chosen the second? Apart from monastic life and a few Distributists, the latter path hasn't been seriously considered among Catholics. Many small non-Catholic utopian societies had been attempted, mostly in the 19th century, with the goal of having a parallel economy that was more just. They all failed. Communism was another such utopian system that was a cure worse than the disease. The Amish have probably been the most successful alternative socio-economic system to co-exist with modern Capitalism.³⁵

In seeking to transform the global political economy, the Church confronted these Capitalist economic systems head on and has been unceasing in her attempt to make them more just. The social teach-

ing of the Catholic Church, which many think began in 1891 with the encyclical *Rerum Novarum* by Pope Leo XIII, but in actuality that was merely when it gained great prominence, was developed to address the issue that societies and their laws were no longer Catholic. The goal of Catholic Social Thought is nothing less than the transformation of these societies to be Catholic once again. And that means societies without usury. Catholic Social Thought had largely been ignored by the non-Catholic world and even by many Catholics, but the fall of the Soviet Union, along with the collapse of the ideology of Communism, brought a renewed interest in it in the last two decades of the 20th century. The economic collapse of 2008 has accelerated that growing interest by revealing the fundamental flaws of an economy based on usury.

The only thing we can really fault the Church's social teaching on is its failure to recognize that usury isn't just one issue among many but is one of the most important issues to confront in transforming societies to be Catholic again. Catholic Social Thought will not be successful unless an opposition to usury becomes one of its pillars. Usury guarantees the concentration of wealth into the hands of the few and it is impossible to put forth a social program that provides justice for the poor in the long run without abolishing usury, or at least making it illegal.

By focusing on the practical issues, the dogmatic teaching on usury was neglected to the point that the vast majority of Catholics, clerics included, began to believe that usury was redefined as "excessive interest." "The practi-

cal problem settled, the theoretical question of how interest is justified remains open to discussion." 36 Some sought a theoretical justification for moderate interest through the use of the illicit title of *lucrum cessans* based on the existence of a market rate of interest. The logic goes something like this: "I can lend to the government and earn x%, so any money I lend to you is money that I could have earned x% on by lending to the government. Consequently, I can lend it to you at x%." In reality, it was immoral for the government to have to pay interest in the first place. So, an immoral usury contract cannot be used as the basis by which one can justify another contract's gains under the title of a lost gain. The lost gain was usury and should never have existed in the first place. 37 Others seek to justify interest by calling the market rate of interest a Just Price between money available today for money available later 38—an analysis which turns Aquinas' analysis completely on its head. *The New Catholic Encyclopedia* admits, however, that there has yet to be a theoretical justification for interest. There hasn't been a theoretical justification for interest because there isn't one, other than as an act of war or restitution.

THE CODE OF CANON LAW

The next example that Hoffman cites to support his assertion that the Church has changed her doctrine is the Code of Canon Law, 1917. Hoffman says that "the 1917 Code of Canon Law permits interest on loans. The 1983 Code of Canon Law requires it of clerics in charge of Church funds." The passage in the 1917 Code that he is

referring to is Canon 1543 which states "If a fungible thing is given to another so that it becomes his, and later it must be restored in the same sort, no profit can be made by reason of the contract; but in the loan of a fungible thing, it is not by itself illicit to reap a legal profit, unless it can be shown to be immoderate of itself, and even greater profit [can be made] if there is a just and proportionate title so supporting." Admittedly, this is a bit vague and can be interpreted the way Hoffman prefers. However, this language is very similar to that used in *Vix Pervenit*, and so it should be interpreted in that light. It is basically saying: "In the process of making a loan of a fungible thing (like money) it is illicit to earn interest on the loan contract, but it is not illicit to have other contracts upon which one earns a profit (like the option/storage contract in the *montes* case above), unless it can be shown to clearly violate the Just Price, but an even greater profit can be made if there is a risk of loss or some other investment risk against which a high profit is warranted." Those words are mine. But it is easy to see how they are a valid interpretation of the Canon and conform to the hermeneutic of continuity by not allowing interest/usury.

The passage that Hoffman refers to in the 1983 Code of Canon Law in his book on page 387, is Can.1284.6, which says: "[the Church can] with the consent of the Ordinary make use, for the purposes of the juridical person, of money which is surplus after payment of expenses and which can be *profitably invested*" (emphasis mine). Investing for profit and investing at interest are two entirely

different things. The Church has always allowed people to invest money and earn a profit. Canon 1284.5 says all administrators must “at the proper time pay the interest which is due by reason of a mortgage or pledge, and take care that in due time the capital is repaid.” Now that sounds clearly like the payment of interest. And it is. But, Aquinas said that *paying* interest isn’t a sin any more than having stuff stolen from you is a sin on your part. You are the victim not the criminal. One may argue that the Church isn’t morally obligated to pay interest, and that would be correct. But, in a world where governments enforce such contracts, the failure to pay interest is just going to result in a worse consequence for the Church than if she pays interest. Canon 1284 begins by saying that “All administrators are to perform their duties with the diligence of a good householder.” This means paying your bills. The issue here isn’t what the law should say; the issue is to tell Church administrators to pay their bills. That’s just good prudent advice.

On page 387 of his book he quotes the Code of Canon Law 1297 as saying “Stocks, bonds, certificates of deposit or money involved in prudent loans...” That was a typo. Hoffman’s quote is from the commentary on Canon 1294, not from Canon 1297. Canon 1294 states: “Normally goods must not be alienated for a price lower than that given in the valuation. The money obtained from alienation must be carefully invested for the benefit of the Church, or prudently expended according to the purposes of the alienation.” The commentary says that the

money obtained from the sale of such goods could be invested in prudent loans, among other things. Hoffman is correct that most Canon lawyers, who wrote the commentary, saw nothing wrong with lending at interest. Hoffman then quotes Canon 1305: “Money and movable goods which are assigned as an endowment are immediately to be put in a safe place approved by the Ordinary, so that the money or the value of the movable goods is safeguarded; as soon as possible, they are to be carefully and profitably invested for the good of the foundation, with an express and individual mention of the obligation undertaken....” Again, a profitable investment isn’t usury. So, technically, neither the Code of 1917 nor that of 1983 allows usury, let alone insists upon it.

RECENT EVENTS

Nevertheless, let’s not quibble over details. Hoffman is correct that the vast majority of Church officials and people in the pews see nothing wrong with lending money at a moderate rate of interest, and they are not thinking of justifying it as an act of war. We can look at the *New Catholic Encyclopedia* to see where the general sentiment within the Church stood after Vatican II. It wasn’t good. But, the *New Catholic Encyclopedia* was basically citing Dempsey and Noonan, two famous books on usury written in 1943 and 1957 respectively, both of which contain serious errors in analysis. 39

Hoffman’s statement that we should be “horrified to consider participating in the warfare of usury against our own brethren” 40 needs a response. Usury as an act

of war may be legitimate against one’s enemies, but there is no justification to use it against one’s fellow Christians. Hoffman points out that the USCCB document titled “Diocesan Financial Issues” unquestionably allows the lending at interest to fellow Catholics and seems to have no qualms with it whatsoever. “Many dioceses ... maintain deposits from parishes, schools, agencies, and/or other entities. In turn, these funds are loaned to parishes and potentially other entities within the diocesan community.... In the majority of instances, the Program will be (1) one where the Administrator acts as a principal paying a return to depositors and *charges interest to borrowers...*” 41 That document goes on to say basically that by cutting out the banking system and by having parishes with surpluses lend money through the diocese to other parishes in need of funds, that the parishes with a surplus could earn an interest rate *higher* than what they would earn by depositing their money in the bank, and the parishes in need of funds can borrow at a *lower* rate than what they would have to pay from the bank, and so everyone gains by having this system in place. In other words, every Catholic is better off following this system than they would be if they participated in the usurious world around them. From the point of view of natural prudence, this is true. But, it completely avoids the issue of whether lending at interest to one’s brethren is usury to begin with. In the end, wealth is taken from the poor parishes through interest and re-concentrated in the parishes that already have surpluses. Granted, they must have thought that the wealthy parishes

would not participate in this program in the first place if they were told that they could not earn any interest at all if they participated in it but that they could licitly earn interest if they lent out their money to the rest of the world. So, they probably thought: given the circumstances, let's allow them some interest because the poor parishes would be better off than under the alternative arrangement of being forced to borrow from the usurious banks. Then, they could be thinking: we have another line item in our budget that gives grants to poor parishes. That can be used to offset any usury paid and more. And so, in net, the poor parishes probably do not pay usury.

Still, the language isn't written in a manner that reveals an understanding that the dogmatic teach-

CURRENT DOCTRINE

So what is the current doctrine of the Church on usury? The Compendium of the Social Doctrine of the Church, written by the Pontifical Council for Justice and Peace in 2004, says the following about usury:

Although the quest for equitable profit is acceptable in economic and financial activity, recourse to usury is to be morally condemned: 'Those whose usurious and avaricious dealings lead to the hunger and death of their brethren in the human family indirectly commit homicide, which is imputable to them.' This condemnation extends also to international economic relations, especially with regard to the situation in less advanced countries, which must

the logic that by usury the Church means excessive interest. I personally asked Peter Cardinal Turkson, the President of the Pontifical Council for Justice and Peace, if he realizes that the Church defines usury as *any* interest.⁴³ He said of course, and he took it even one step further by saying that was why, in the year 2000, Pope John Paul II declared a year of Jubilee. Pope John Paul II was hoping to obtain debt forgiveness, particularly for third world countries since they had already paid back more in interest than the principal they borrowed. Understanding the definition of usury properly, Cardinal Turkson reveals that there has not been any change in the Church's doctrine on this issue. It sounds a lot like the Old Testament, the ecumenical councils, and the writings of the saints on usury. In other words, the infallible Magisterium has remained constant on this issue.

No formal doctrinal statement has ever been issued containing a declaration in clear contradiction to what the Church has always taught on usury. Therefore, we can conclude that, although the Church is in crisis, the gates of hell have not overcome her. The Holy Spirit has mysteriously prevented formal doctrinal statements on usury from containing errors. In light of the complexity of this issue, we can consider that to be a miracle. The history of the Church's teaching on usury should strengthen our faith that the Catholic Church is the one true Church of Christ.

No formal doctrinal statement has ever been issued containing a declaration in clear contradiction to what the Church has always taught on usury.

ing of the Church is that all interest is usury. They didn't say that they were allowing this practice only because the world is at war with the Church, and during wartime sometimes you have to do the best you can, given the circumstances. Nevertheless, the USCCB is not the Magisterium of the Catholic Church, and it is quite clear that this whole document is a practical manual not a dogmatic teaching.

never be made to suffer 'abusive if not usurious financial systems.' More recently, the Magisterium used strong and clear words against this practice, which is still tragically widespread, describing usury as 'a scourge that is also a reality in our time and that has a stranglehold on many people's lives.'⁴²

Hoffman quotes that very passage as proving his position, under

ANTHONY SANTELLI III, PH.D.

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Bullets

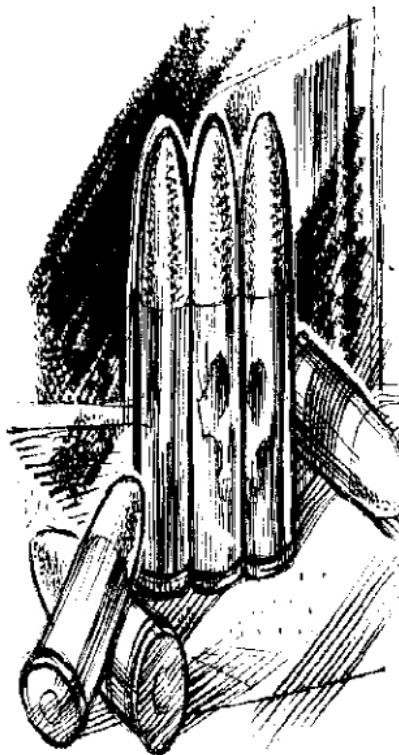
* Actress Angelina Jolie will face quite a dilemma if she discovers she's genetically predisposed to Alzheimer's Disease.

* States Rights. Justice Ruth Bader Ginsburg told a U of Chicago Law School audience *Roe v. Wade's* legacy will hold up. "Take the worst-case scenario," she said, "suppose the decision were overruled; you would have a number of states that will never go back to the way it was." She's correct. It's the same as the gay marriage conundrum: no one argues that the natural law precludes gay marriage, only that the issue should be left to the states.

* Abortionist Dr. Kermit Gosnell's conviction raises a question: isn't it redundant to say abortionists murder children?

* Worthy Successors. The early favorites to succeed Michael Bloomberg as NYC Mayor: Christine Quinn, a lesbian married to Kim Catullo; Anthony Weiner, who resigned from Congress in a sexting scandal; and Bill de Blasio, whose wife formerly was a lesbian.

* The Clown Prince and The Turkey. Asked how NY Gov. Andrew Cuomo "could be a leader on an issue that the church so fundamentally feels strongly about, opposes, abortion, and still be considered a Catholic in good standing," Timothy Cardinal Dolan said: "that's something that I talk turkey with him about." Oops! Dolan later rolled out spokesman Joe Zwillling to clarify: "Cardinal Dolan would not and did not suggest the governor might not be a Catholic in good standing going forward. The subject he 'talks turkey' about was abortion." If an adamantly pro-abortion, pro-gay marriage



governor who lives in adultery is a Catholic in good standing, then the phrase has no meaning.

* Double Talk. Cardinal Dolan also let Zwillling explain that, faced with "the dilemma of choosing between providing health care to employees or violating its sincere religious beliefs," the archdiocese chose to provide contraception and abortion coverage "under protest" to union workers, but the feds shouldn't be able to require it to do likewise for other employees. Makes a mockery of the Fortnight for Freedom, doesn't it?

* Ignoring the Plank. Gov. Cuomo said "shame on us," if Weiner's elected NYC Mayor. Cuomo is shameless.

* Kasper's Ghost. "We Christians, in dealing with the Jews, do not have to bear witness to a way of salvation that is completely foreign to them, as is the case with other religions. For the New Testament is built entirely on the Old Testament. For this reason the Catholic Church has no organized mission to the Jews," says Kurt Cardinal Koch, president of the Pontifical

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Commission for Religious Relations with the Jews. What a *non sequitur*. Maybe the relationship between the Old and New instead demands an organized mission to the Jews?

* Subverting Culture. VP Joe Biden praised Jewish leaders, citing social media and the tv series *Will and Grace* as examples of what changed attitudes on gay marriage. "Think — behind of all that, I bet you 85 percent of those changes, whether it's in Hollywood or social media, are a consequence of Jewish leaders in the industry." If Mike Jones said that, he'd be accused of anti-Semitism.

* At a Capitol Hill reception for the 70th ordination anniversary of Notre Dame's former president, Fr. Theodore Hesburgh, Theodore Cardinal McCarrick called him one of "four great Americans." It's more likely Hesburgh'd get a monument on the Mall than a statue in the Vatican.

* The question of whether women and gays should be in the military is off-limits in the discussion of sexual assaults in the military.

* According to published reports, Hillary Clinton will soon publish her memoirs, which, to garner LGBT votes in the 2016 election, will disclose she is bisexual and has had lesbian relationships. We question the reports: the gay vote is hers for the asking even without an explicit disclosure. Now, if she admits she's had an affair with Monica Lewinsky ...

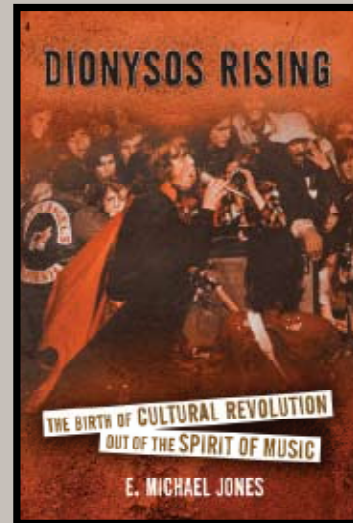
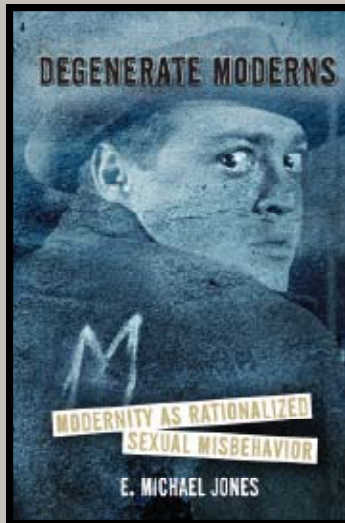
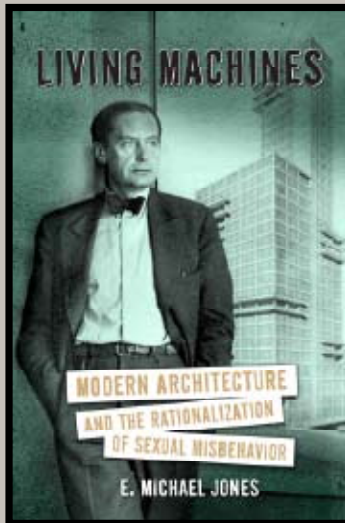
* Gordon Gee, Ohio State president, said Notre Dame wasn't invited to join the Big Ten because "You just can't trust those damn Catholics...." Perhaps Gee has read Mike Jones' *Is Notre Dame Still Catholic?*



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